

WHICH MINISTRY SHOULD LEAD SKILLS DEVELOPMENT?
JULY 2016

INTERNATIONAL REFLECTIONS ON TVET GOVERNANCE

A DISCUSSION PAPER

FOREWORD

For our own purposes the British Council recently completed a survey of our education teams across the world to understand how different governments organise themselves for skills development. We were interested in the huge variety of approaches reported back, and we thought we should dig a little deeper. The result is this short discussion paper which looks at structures in six countries, along with some reflections and questions for the future.

This is a very timely report for the English skills sector. In the cabinet reshuffle on the 15 July 2016, instigated by the new UK Prime Minister Theresa May, skills and further education responsibility moved to the Department for Education. What can England learn from other systems who follow this approach? This report highlights the challenges and opportunities that face different ministerial departments in shaping skills policy. Additionally we consider whether which ministry holds responsibility for Technical and Vocational Education and Training (TVET) is an intrinsic part of the success or failure of systems or are other factors such as the centralisation of authority more influential?

We support policy reform and systems transformation in TVET around the world. In doing so, we work with policy makers and senior leaders in ministries responsible for education and higher education, youth, labour and social affairs, with agencies set up by these ministries, and often with a complex combination of different stakeholders. And we get asked: 'what is the best way to organise our affairs to make the most difference in skills development?'

This short paper will not answer that question, because there is no single model that will work for all countries in all sets of circumstances. The political, economic and societal context in each country is complex and different. While there are many shared challenges and priorities, there are also distinct features and challenges for different countries and parts of the world. What works in Country A today will not necessarily work in Country B. And what works in Country A today, will not necessarily work in that same country in ten years' time, particularly if that country's economy is developing fast.

We all want to find a good way to make sure that young people get the skills they need to get a good job and progress in the world of work. We all want to make sure that people in work can keep learning, so they can have a comfortable life and contribute to the economic success of their country. And we all want to make sure that economies prosper so that more opportunities can be created.

So we offer no simple solutions: this is a think-piece, not a guidebook. What we provide instead is a number of studies of how different countries tackle the question of how best to organise skills development, with some reflections on what appears to be working and what the challenges are.

We are grateful to Iain Mackinnon of the Mackinnon Partnership for leading this work. The case studies are a stimulating mix. For England especially but for all systems the time is ripe to think about which ministry should lead skills development. I hope you will find the report interesting and will join us in discussing the implications.

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EDUCATION MINISTRY
IN A VERY
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A SEPARATE, HIGH
PROFILE SKILLS
MINISTRY

INTRODUCTION

This paper is organised in eight sections:

- We present case studies from six countries, showing how they organise skills development. They are in alphabetical order, because we are not suggesting that one way is better than another. The six are Colombia, England, India, Kazakhstan, South Africa and Vietnam.
- We explain the model recommended by the European Training Foundation (ETF) because it is well-developed, and based on extensive evidence of what works.
- We conclude with some extracts from a study by a think tank in London, which has studied the British experience of reorganisation at ministerial level.

Our focus is on the best way to organise at national government level. In a short paper we do not want to get distracted by a discussion about terms, and about what language to use. We are primarily interested in skills training for young people leaving full-time education and joining the workforce for the first time. Much of the discussion however also applies to skills training for people already in the workforce, or those trying to re-join it after being unemployed. We hope that readers will adapt what they read to their own interests.

We use the term 'skills' throughout where others might say TVET (Technical and Vocational Education and Training) or some variant of the term.

In every country the story is complex, and in every country it is changing in some way. We have therefore simplified, in some cases a good deal, in order to highlight key points. We have made no attempt to consider, for example, the use of national qualification frameworks as a unifying force.

The most awkward gap is around evidence of what works. Describing arrangements is one thing, but showing whether they work or not is much harder. Skills policy is complex because there are so many different objectives. Clear, unambiguous and objective evidence about what policies and programmes have been successful is hard to find. That is why the ETF section is so interesting: they do try to measure success (and they have made good progress in doing so).

COLOMBIA

A LONG-STANDING DEDICATED AGENCY AND MULTIPLE MINISTRY ACTIVITY

Skills training has been in the hands of the National Learning Service, SENA, an autonomous agency of the Ministry of Labour, for nearly 60 years.

The Ministry of National Education has separate lead responsibility for higher level vocational training – professional, technical and technological.



Colombia's National Learning Service, SENA (Servicio Nacional de Aprendizaje), was created as long ago as 1957 on the joint initiative of labour organisations, businesses, the Catholic Church and the International Labour Organisation. It is a public body responsible to the Ministry of Labour, with a good deal of administrative autonomy.

The Ministry of Labour is a member of the board of SENA, alongside colleagues from the Ministry of National Education and the Ministry of Commerce, Industry and Tourism, and representatives of civil society including business, trade unions and students. This board sets SENA's policy, approves its strategic plans, authorises its budget and reviews the implementation of its programmes.

Reinforcing the close links with central Government, the President of the Republic of Colombia appoints the Director of SENA.

SENA has, however, sufficient administrative, functional and financial autonomy, and a large enough budget, that in addition to advising central Government, it is influential throughout Colombia's skills system.

The Ministry of Labour sets the policy framework within which SENA operates; setting the legal framework for employment and training, support for business and business growth, employment protection, migration and unemployment protection. It also sets the policy for alignment of skills training with the needs of the economy, sets standards for skills and certification and leads national research to support more effective skills development.

The fact that SENA operates as an agency under the wing of the Ministry of Labour keeps the process of policy formulation separate from the very different task of implementing those policies through practical

programmes. SENA is therefore an operating arm of the government, but kept apart from political activity.

To do its job, SENA has established a number of mechanisms to consult companies, trade unions, other governmental and non-governmental institutions, and educational and training institutions, listening to their advice on the content of training programmes and the creation of new ones.

Alongside the work it supports through SENA, the Ministry of Labour is responsible, through Family Compensation Fund offices, for short training programmes to help people who are unemployed get back into work quickly.

The Ministry of National Education is also involved directly in skills development through its responsibility for regulating, developing and monitoring professional, technical and technological education.

The Ministry has set a big ambition for Colombia to become 'the best educated country in Latin America by 2025', and the accompanying detailed vision includes this:

To be a technician or a technologist is an option which generates real pride.

Since the 1990s the Ministry of National Education has had separate responsibility for these higher levels of vocational education within Colombia's higher education system, alongside the responsibilities held by the Ministry of Labour and by SENA for lower levels. Part of SENA's remit, however, is to advise the Ministry of National Education on these higher level skills programmes.

The wider context is that Colombia has been making fast progress with education and skills development. The Organisation for Economic Co-operation and Development's (OECD) latest report, *Education in Colombia*, says this:

Education has gone through a silent revolution, barely noticed by the international community, but deeply transforming the lives of people in this once conflict-ridden country. (OECD 2016)

This silent revolution embraces the tertiary sector (third stage or post-secondary), with the number of tertiary students quadrupling in the last two decades. OECD points to the strains that has caused, however, and the need to do much more to improve the quality of skills development, and the relevance to the labour market of many programmes, and to extend their reach much more equitably across the country. (OECD, 2016) A number of the OECD's recommendations relate directly to improving governance arrangements, for example:

- Entrust a single agency with all quality assurance functions.
- Accelerate the development and implementation of a National Qualifications Framework.
- Strengthen the links between local governments, tertiary institutions, and employers.

Colombia has had particularly stable arrangements to support skills development, through a government agency which is supported by a central ministry, but gets a good deal of autonomy for its work.

The context has changed, however, with impressive gains in school-age education now working their way through to post-school skills development. Will organisational arrangements designed two generations ago continue to be the best way to meet the new challenges, such as ensuring high quality throughout the country, and effective partnership with all those who can contribute to a high-achieving system?

ENGLAND

NEW INITIATIVES TO BRING GREATER COHERENCE, NATIONALLY AND LOCALLY

Note: Since the completion of this report responsibility for further education and skills has moved to the Department for Education and is no longer split between two ministries. It is too early to fully understand the implications but the below reflects the position during the last government led by David Cameron.

England had a Skills Minister who reported to two cabinet ministers responsible for education and business. He led a high profile government-wide programme to increase the number of apprentices.

England is also experimenting with devolution to groups of local authorities, which aim to align skills development with other action to support the trainees they help.

City and Guilds, one of the UK's leading examinations boards, published a report in 2014 which was very critical about how often responsibility for skills has changed in England:

Since 1981, there have been 61 Secretaries of State [cabinet ministers] with responsibility for skills policy, each with their own agenda for change. There have also been five different ministerial departments with responsibility for employment, skills and training comprising the Department for Business, Innovation and Skills (since 2009); Department for Innovation, Universities and Skills (2007–2009); Department for Business, Enterprise and Regulatory Reform (2007–2009) and Department of Trade and Industry (1970–2007); and the Department for Work and Pensions (since 2001). (City and Guilds, 2014)

City and Guilds pointed out the consequences of this instability: there is no central repository of knowledge about what works; frequent change has meant a series of short-term policies and programmes, disrupting long-term planning and getting in the way of making better progress.

The solution chosen by the government elected in 2010 was to have a single minister responsible for skills who would report to both the cabinet minister responsible for education, and the cabinet minister responsible for industrial policy. 'Skills' was added to the title of the latter – the Secretary of State for

Business, Innovation and Skills – but the minister responsible for skills was asked to report to the political heads of both ministries.

Sharing a minister like this was a new departure for the UK government. It was complicated by the fact that the government elected in 2010 was a coalition, and the political heads of the two ministries came from different political parties. The arrangement worked quite well in practice, but was made more difficult by political differences between the two Cabinet ministers.

Matters simplified after the 2015 general election when the Conservative Party was elected on its own, and the coalition government came to an end. The Prime Minister chose to continue the arrangement and changed the title of the shared minister to give skills full prominence: he was then known as Minister of State for Skills. (In 2010 the title was Minister of State for Lifelong Learning, Further and Higher Education, and then it became Minister of State for Skills and Enterprise).

The government elected in 2015 gave particular prominence to its apprenticeship policy, which the Skills Minister led. He was supported by a team of civil servants, the Apprenticeships Unit, who were drawn from both the education and business ministries, reinforcing and deepening the approach of sharing responsibility.

Other public bodies at national and local level also have an interest in skills development. The Department of Work and Pensions is responsible for some programmes to help unemployed people get back to work, usually through quite short training courses. And many local authorities offer some form of training, again typically short courses.

In a second development, also focused on better sharing of responsibility, the government has begun a process of delegating responsibility for some decisions about skills to groups of local authorities. A common feature of these special arrangements, commonly known as City Growth Deals, is that they aim to do a better job than national government by co-ordinating and targeting the work of several national ministries. For example, they believe that a short skills training course will help an individual better if there is some action at the same time to tackle the housing problems people face, to provide better transport to work, and better health facilities.

Unusually, the government is negotiating different arrangements in different areas, so the policy is not being applied in an even way across England. It is also primarily focused on groups of local authorities in urban areas, in the belief that ‘city regions’ have the critical mass to make a difference.

Every City Growth Deal agreed so far has included delegation of responsibility for skills, though every organisation involved continues to work within the same national structures, such as the National Qualifications Framework, and to use very familiar approaches: the extent of change from previous programmes is very modest (at any rate, so far).

It is interesting that responsibility for apprenticeship policy has *not* been delegated, however. The government has a high profile ambition to make a big increase in the number of apprenticeship starts, and clearly wants to keep control of that policy in the hands of the Skills Minister.

However, devolution is a complex, fast-changing policy in the UK. The policy just described is being applied in different ways and at different speeds in different parts of England, and does not apply at all to other parts of the United Kingdom: skills policy is devolved to the separate governments in Scotland, Wales and Northern Ireland which make their own arrangements. Those arrangements differ in detail, but all three devolved governments have ministers with clear responsibilities for skills development.

After many years of passing responsibility for skills from one government department to another, the innovation of appointing a single minister reporting to two separate cabinet ministers (responsibility for education and for business) marked a new departure, and one which appears to have made a big difference.

The UK has long been a heavily-centralised country, but over the last two decades the UK government has devolved political power, first to the three other countries (Scotland, Wales and Northern Ireland) and much more recently within England. In skills terms that devolution is limited because it does not include the all-important apprenticeships programme, but it is a bold experiment which not only draws together at local level broad responsibility for skills, but also seeks to line it up with other policies and programmes.

In addition, therefore, to the question of which ministry should take the lead, the government is also exploring the best way to get the balance right between centralisation and devolution.

INDIA

A SEPARATE, HIGH PROFILE, SKILLS MINISTRY

The Indian government set up the new Ministry of Skills Development and Entrepreneurship (MSDE) in November 2014, and it has a high profile Minister at its head.

Other Ministries, and all 29 States, retain important roles, but the new central Ministry is leading an ambitious national 'mission' to drive skills development.

Skills development in India has historically been led at national level by the Ministry of Labour and Employment. Skills had a fairly low profile however until 2009 when the government published India's first National Skills Development Policy.

The policy set a new direction through a National Skill Development Initiative. It spoke about the 'demographic dividend', the huge opportunity which India's large and growing young workforce offers, if enough of them are well trained. It set new goals to train many millions more people, and established new principles, notably that in order to reach these millions central government would stimulate action in the private sector by offering loans to develop skills programmes.

The government also set up new governance arrangements. The Prime Minister personally took the chair of a new National Council on Skill Development, which included ministers responsible for human resource development, finance, industries, rural development, housing and urban poverty alleviation, labour and employment and micro small and medium enterprises – an indication of the number of central government ministries with an interest in skills. The council was supported by a small team in the Prime Minister's office.

In 2014 the incoming Prime Minister, Narendra Modi, turned the National Council on Skill Development into a separate government ministry, the Ministry of Skill Development and Entrepreneurship¹ (MSDE). The ministry describes the rationale for this decision as follows:

Skill development and entrepreneurship efforts across the country have been highly fragmented so far. (...) India records a low five per cent of workforce (20-24 years) with formal vocational skills. There is a need for speedy reorganisation of the ecosystem of skill development and entrepreneurship promotion in the country...

Today, more than 20 ministries/departments run 70 plus schemes for skill development in the country. However, there are gaps in the capacity and quality of training infrastructure as well as outputs, insufficient focus on workforce aspirations, lack of certification and common standards and a pointed lack of focus on the unorganised sector.

The scale of the ambition is massive, with plans to increase numbers trained from 4.5m to 15m.

Three strands of the ministry's work are relevant here:

1. Leadership

The government of India talks about its skills 'mission', formally launched on World Youth Day 2015 as The National Skill Development Mission. There is a clear sense of urgency:

*The National Skill Development Mission [will] not only consolidate and co-ordinate skilling efforts, but also **expedite decision making** across sectors to achieve skilling at scale with **speed** and standards [emphasis added] (Government of India, Ministry of Skills Development and Entrepreneurship 2015)*

National leadership is also evident in the fact that the Prime Minister launched the skill mission personally, in the slogan 'let's make India the skills capital of the world', and in the fact that MSDE's flagship programme (which aims to train 2.4m young people) is called the Pradhan Mantri Kaushal Vikas Yojana, the Prime Minister's Skill Development Scheme.

2. Co-ordination

While MSDE has taken over some responsibilities from other ministries (notably moving over in 2015 the Directorate General of Training – which is responsible for India's industrial training institutes, and apprenticeships – from the Ministry of Labour and Employment) many ministries retain an interest in skills development. The Ministry of Human Resource Development, for example, retains responsibility for polytechnics and for technical education in schools.

MSDE also co-ordinates with the 29 States as skills development is defined as a 'concurrent responsibility' under the constitution (national government usually sets the overall strategy, which states then implement). In both cases the ministry is managing co-ordination formally through memorandums of understanding.

MSDE's co-ordination role goes beyond government structures, importantly including 38 employer-led sector skills councils, and a huge private sector. As the Secretary-General of the Federation of Indian Chambers of Commerce and Industry has said:

¹ The full title of the Ministry includes the word "Entrepreneurship", "so that our youth can aspire to being job seekers and job creators". [emphasis added]

Skilling India is the biggest challenge facing the country today and therefore is a shared responsibility for all stakeholders concerned (FICCI 2015)

3. Standards

The ministry is responsible for the National Skills Qualifications Framework, a competence-based framework which all ministries, all states, and all other partners are now expected to use. The ministry also encourages the use of national occupational standards, which promote much greater mobility for employees.

These arrangements are all new and it is too soon to say how well they will work. Skills development undoubtedly now has a very high profile in India, with the personal support of the Prime Minister and strong links to wider economic development.

However, turning a small team in the Prime Minister's office into a full ministry, and giving it responsibilities and budgets which used to belong to others, changes the politics. A small, unthreatening initiative has now become a powerful new player.

And India is a large and complex country. Alongside the new ministry, effective skills development also means harnessing the energy, reach and budgets of other central ministries, and of the state governments. Creating a strong central ministry is only part of the story.

KAZAKHSTAN

A HISTORY OF CENTRAL CONTROL AND A NEW AGENCY TO KICK-START CHANGE

The skills system in Kazakhstan is highly regulated with strong control exercised by the Ministry of Education and Science through its Department of Technical and Professional Education.

In 2011 the President set up Kasipkor, a state-run, non-profit body, to kick-start change through the development of elite colleges built and run with international expertise.

Decision-making in Kazakhstan tends to be top-down. Skills policy is in the hands of the Ministry of Education and Science, and its Department of Technical and Professional Education. The Ministry sets requirements for vocational colleges in great detail, from the content of the curriculum to the number and role of a college's senior managers.

However, a system designed for a different era is struggling to meet the needs of a market economy. Employers complain that students leave college with skills which do not match their needs, and more than half the country's employers say they have problems finding skilled labour. Many bypass state-run colleges and run their own training. There have been many years of under-investment and vocational education and training has a poor reputation with young people.

The President's initiative in 2011 to set up a new agency therefore marks a turning-point. The

government set up Kasipkor to lead the development of high quality, high level, and high prestige technical education which meets international standards, and to pioneer new approaches which will be extended in time to the rest of the country's colleges.

Kasipkor has worked with experts from Australia, Canada, Germany and the United Kingdom, and with Kazakhstan's large employers, to build two new 'world class colleges' in the capital Astana and former capital Almaty. These have specialisms in tourism and hospitality, construction and housing, energy, engineering, design, information technology and communications.

The new colleges will work with a network of four regional centres and ten partner colleges which will each have one or more specialisms. A key feature of the way the new colleges will work is a close relationship with employers, which will offer internships, and advice to ensure that the curriculum is appropriate.

Crucially, Kasipkor colleges have the freedom to develop and deliver their own programmes in conjunction with employers through the college's industry council, incorporating the best of international practice. Other colleges must strictly follow standard programmes developed by the Ministry of Education and Science.

OECD has pointed out that for the Kasipkor reforms to work in other state-run colleges the many constraints which apply to those colleges will need to be relaxed or removed.

The tension between different policy objectives showed last year in a comment from the Deputy Prime Minister when she said:

'instead of thinking about building world-class elite colleges, Kazakhstan better focus on supporting existing 800 colleges and thus using funds more effectively.'



Ayrau Petroleum Education Centre, on the Caspian Sea, is the first specialist centre established through Kasipkor's initiative, opening in 2013 with the first 100 students. It will grow by 2017 to a total capacity of 700.

The Centre has been developed in partnership with South Alberta Institute of Technology Polytechnic (SAIT), which has been training oil and gas specialists for over 45 years. Successful students will get both an internationally recognised diploma from SAIT Polytechnic and a Kazakh certificate.

SAIT has helped to develop the curriculum and SAIT lecturers will teach some classes initially, training Kazakh lecturers to take over from them. Courses are taught in English. Students gain both theoretical and practical skills and can specialise in oil and gas production technology, instrument technology or field development.

Kasipkor is a non-profit company, wholly-owned by the Government, and funded initially by a Government grant. The original proclamation also included the announcement that the board of Kasipkor would include the Deputy Prime Minister of Kazakhstan and the Minister of Education and Science – so government control is close and direct.

This is a bold experiment by the government of Kazakhstan to kick-start change through creating an entirely separate body, with new powers and new ways of working. The intention is not to create a parallel system, but to use the lessons from this experiment to change the whole of the country's skills system.

It will be a challenge for the Government to decide the best time to start changing the rest of the system, and the best way to do so. In particular it will need to decide whether to keep Kasipkor as a separate elite agency leading innovation, or turn it into a more conventional agency like Colombia's SENA. It will also need to decide on the best relationship between Kasipkor and the Ministry of Education and Science when all colleges are working in the new ways with much more autonomy.

SOUTH AFRICA

A STRONG CENTRAL EDUCATION MINISTRY IN A VERY CHALLENGING CONTEXT



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

The government of South Africa has brought together responsibility for skills under a single Ministry, the Department for Higher Education and Training (DHET).

The process of 'function shift' is continuing, with responsibility for TVET colleges and adult education and training centres recently moving from the nine provincial governments to DHET.

The Republic of South Africa has centralised responsibility for post-school education and training in a single ministry, the DHET. (In South Africa the term 'higher education' covers all forms of formal education beyond the fourth level of the National Qualifications Framework). DHET itself describes the decision as follows:

Its establishment follows an on-going debate about, inter alia, closer integration of education and training in the post schooling sector and the desire to ... reconfigure ... existing complex organisational arrangements (Vally & Motala 2014)

From the Department of Labour, DHET took over responsibility for the Sector Education and Training Authorities (SETAs) which among other roles manage the compulsory training levy. And from the Department for Education it took over responsibility for universities, technical and vocational training, and adult basic education and training.

The intention was that central government would have a strong steering role, with responsibility for policy

and funding, supported by strong partnerships with organised business, labour and communities, and substantial autonomy for individual institutions.

The OECD published a report on South Africa for its 2014 multi-national review *Skills Beyond School*, and it was complimentary about the change. Direct comment on structures is unusual, so it is worth quoting what OECD says in full:

The creation of DHET in 2009 represents a major step forward in integrating vocational education and training policy.

In many countries the governance of vocational education and training involves a complex fabric of agencies, reflecting a division of responsibilities between different ministries, the relative autonomy of institutions and the separate roles of private training providers, employers and trade unions. Such decentralised governance has advantages in terms of diversity and innovation, but it may confuse students and employers, involve some duplication of tasks such as curriculum design, and complicate transitions.

In South Africa, prior to 2009 responsibility for education and training was divided between the Departments of Education and of Labour and sometimes weakly coordinated. In 2009 the DHET was established, and given responsibility for one of the twelve objectives of the South African government, namely 'to develop the human resources of the workforce in an inclusive way'. The Department brought together responsibility for the university and college sector, adult learning centres, the private institutions, the Sector Education and Training Authorities (SETAs), the National Skills Fund (NSF) and the regulatory bodies responsible for qualifications and quality assurance. Together, these form an integrated "post-school" system. This integration of responsibilities in DHET is a clear strength. (Field et al. 2014).

DHET has since then gained further responsibility by taking over the Further Education and Training colleges from the nine provinces, re-naming them TVET colleges. It is leading a 'turnaround strategy' to address management and other weaknesses in a number of these colleges, which has included a period of direct management for some. OECD has commented positively that 'significant quality challenges have been met with strong action'. (Field et al. 2014)

The government pushed the process a step further in 2013 with its broad-ranging policy statement *Post-School Education and Training*. It set out a 'vision for an integrated system of post-school education and training, with all institutions playing their role as parts of a coherent but differentiated whole' (Department of Higher Education and Training, 2015). It included some big ambitions, for example to more than double the number of college students by 2030.

In the paper the government announces a number of other measures which reinforce DHET's leadership. Two relevant here are that a review of vocational programmes and qualifications will involve the Department of Basic Education because it offers vocational education in addition to its core responsibility for schools, and that the National Skills Authority (which reports to DHET) is to be strengthened to give it more effective oversight of the sector education and training authorities.

The paper also announces a much bigger role for employers in skills development:

Employers must be drawn closer to the education and training process; they are among its major beneficiaries and must contribute to its success. (Department of Higher Education and Training, 2015)

The context in South Africa, however, is very challenging. For all the success of the transition from the

apartheid era, South Africa has considerable unemployment and low growth, and what the 2012 National Development Plan called 'a deficit in trust between business, labour and government that needs to be reversed if we are to build this economy'. Around a third of young people between the ages of 15 and 24 are neither formally employed, nor in education or training – 3.4 million people. Two million of those have not completed their secondary education. Yet skills shortages abound and hold back the economy.

In a number of steps over time the South African government has brought together responsibility for most aspects of skills in order to give a clear focus to a high government priority, and to provide more effective ways of tackling urgent problems.

In its 2014 review the OECD commends the boldness of the government's vision and the steps it is taking to address the many problems it faces. Given all the challenges, perhaps strong central leadership is the best way to make progress?

VIETNAM

STRATEGIC LEADERSHIP WITH ONE MINISTRY; SEVERAL OTHERS ACTIVE

Skills policy in Vietnam falls under the Ministry of Labour, Invalids and Social Affairs (MOLISA), which has a separate directorate for Vocational Education and Training.

Several other ministries and provinces also run training programmes, working within rules set by MOLISA.

Skills policy in Vietnam falls under the MOLISA, and its General Directorate of Vocational Education and Training. MOLISA sets the national strategy - Vietnam Vocational Training Development Strategy (2011-20) - but a number of other ministries are also active.

The Ministry of Education and Training (MET) is responsible for all academic education (schools and universities), and for higher level vocational studies at professional level.

Some other national and provincial government ministries also run their own vocational schools. Around a third of Vietnam's vocational schools are privately owned. There are substantial gaps in some parts of the country.

The new vocational training law which came into effect in April 2015 made a number of changes, including:

- re-defining what was 'vocational training' to become 'vocational education and training', in titles at all levels from the ministry to individual colleges. Part of the rationale was to separate 'vocational' education and training more clearly from 'higher education', reserving that term now for university-level institutions
- setting an ambition to increase numbers in training from 23.5 million people in 2015 to 34.4m in 2020, with consequent increases in the number of colleges and vocational schools, and suitably-trained teachers

- setting a target for MOLISA to create 45 high quality vocational training institutions by 2020, which will provide courses to international standards, enable closer working with institutions in other Association of South East Asian Nations (ASEAN) countries, and contribute to the comprehensive reform of the Vietnamese vocational training system
- creating a National Qualifications Framework and 250 sets of national occupational skill standards
- giving much greater autonomy to individual vocational institutions to develop their own programmes
- encouraging greater involvement from businesses in vocational education and training.

It is the responsibility of MOLISA to implement this strategy, working with other Ministries, and provincial authorities, to do so.

At ministry level, for example, MOLISA is to work with the Ministry of Planning and Investment on forecasts of manpower demands, with the Ministry of Education and Training in 'orienting secondary school graduates to vocational training learning' and with the Ministry of Agriculture and Rural Development on the project 'Vocational training for rural labour to 2020'.

Other ministries also have an interest in training. The Ministry of Culture, Sport and Tourism, for example, is responsible for tourism colleges.

The context in Vietnam is that many young people do not complete primary education, let alone secondary or tertiary. Of those aged 20–24 in 2010, 90 per cent had completed primary education, compared with 85 per cent in 2004. Moreover, despite the country's rapid industrialisation, a very large proportion of the workforce remains agricultural: 45 per cent in 2010, down from 60 per cent in 1993.

That is why the World Bank, in its 2014 book *Skilling up Vietnam: Preparing the Workforce for a Modern Market Economy*, talks about 'shifting the dialogue: from education to skills'. What they mean is that with good progress in achieving basic education for all, the time is right to put real effort into vocational skills.

In a report on innovation the same year the OECD commented:

In Vietnam, as in other countries of the region, families and students often consider college and TVET as second or even third-best options. Their quality is often low because of lack of vision or investment.

Vietnam urgently needs to improve the quality of its TVET system. Vocational schools do not meet regional [i.e. ASEAN] and international standards, and MET's [the Education Ministry's] limited role in these schools has given it little prominence in the education sector. (OECD, 2014)

That last comment is particularly relevant to this paper. OECD believes that lack of prominence for vocational education and training is an important cause of limited investment, and ultimately limited quality.

Those comments were written before the latest changes by the government. They may also have fed a current debate within the government of Vietnam about which is the best ministry to lead the country's vocational education and training strategy, education or labour.

Vietnam is giving a much higher profile to vocational education and training, with plans for a big increase in the numbers in training and for a new group of elite institutions which will operate to international standards.

When big steps are still needed to address gaps in basic education, it clearly remains a challenge to get enough attention focused on skills to drive real progress in support of the country's economic goals: responsibility for skills development remains dispersed.

A SHARED RESPONSIBILITY MODEL

THE TORINO PROCESS

Despite widely differing circumstances most countries *share* responsibility for skills development in some form or other. The European Training Foundation (ETF), an agency of the European Union, calls this 'a new paradigm of shared responsibility':

Vocational education and training providers do not stand alone, but are players in a broader continuum of skills delivery in which a multitude of actors is expected to contribute to a common goal – prosperity through forming, maintaining and using human capital. (ETF 2014)

The British Council is not recommending ETF's approach, but we present it here because it has done a lot of work to define a model of shared responsibility, and to test it in a wide range of countries.

ETF helps partner countries close to the European Union to harness the potential of their human capital through the reform of education, training and labour market systems. Since 2010 ETF has run [The Torino Process](#): every two years participating countries report on the progress they have made with vocational education and training, judged against five criteria, which include governance.

The process is based on evidence, openly shared and analysed, using consultation and peer review, and using the same criteria for everyone. That makes it possible to make reliable comparisons. What began as a descriptive process has become, through three two-year cycles so far, a means to measure progress and therefore a good tool for analysis and discussion.

ETF is positive about progress:

The 2014 round of the Torino Process is the first one in which all regional reports underline VET has ceased to be '*a neglected sector of education*'. (ETF, 2014)

Looking particularly at governance, ETF reports that while in 2012 the planning of skills delivery was still widely treated as a prerogative of government, by 2014 most partner countries had moved on to expect this guidance to involve what it calls 'a purposeful convergence of policies from all sectors'. (ETF, 2014)

ETF is particularly critical of centralised systems:

In practice, the centralised governance systems mean that territorial (ie sub-national) and local initiatives for VET require approval from the central authorities before taking off. This severely hampers the potential of VET to address local and regional needs in a proactive manner, and its

credibility when attempting to do so. (ETF, 2014)

It recommends that the skills system must adopt new ways of working so that plans can be quickly translated into action. Governance is its top priority in that process:

Success will depend on the ability and political will of partner countries to quickly translate plans into action in the following areas:

- governance through better and more focused involvement of stakeholders, especially employers and workers, in every aspect of the formal system of human capital formation. (ETF, 2014)

And it is particularly keen on employer-led sector skills bodies like Sector Skills Councils (SSCs):

SSCs are probably the most promising, but still largely under-used, channel for external involvement in rethinking, re-designing and operating VET, especially when it comes to drawing in employers. (ETF, 2014)

SOME REFLECTIONS FROM A BRITISH THINK TANK

A think tank in London, the Institute for Government, has looked in detail at the British experience of changing ministerial responsibilities – and, helpfully, uses skills policy as an example. They are sceptical about the value of most changes (‘successful departmental restructuring is rare’), but do identify some successful examples. They also offer some thoughts to consider when governments contemplate restructuring.

The institute has some sharp comments on how responsibility for skills development in Britain has changed over the years:

‘Areas such as skills policy have been passed between departments repeatedly – but the effect has largely been to replace problems in one area (for example, weak co-ordination with employment services) with problems in another (for example, lack of join-up with education policy). (Institute for Government, 2016)

They conclude that the example of skills development shows the need for *trade-offs*:

Moving a function to a different department can easily create new tensions or disconnects. This is perhaps best shown in relation to skills where prime ministers have perennially vacillated on whether they should place government’s skills portfolio within the education-focused, employment-focused, or business-focused departments. This case is a clear example of the need for trade-offs – and also suggests that whatever the machinery of government, robust mechanisms to resolve cross-departmental disputes and encourage collaboration are a pre-requisite of effective government. (Institute for Government 2016)

In other words, no single approach will solve all problems, and making a change is likely to cause new problems. When considering a change, governments must balance what they might gain with what they might lose.

They quote two examples where organisational change has worked well. The first is the more relevant, because it involves the creation of a separate, specialist, Department for International Development. Previously international development had fallen under the much bigger Foreign and Commonwealth Office, and the institute comments that making it a separate ministry gave much greater profile to international development. Its political head had their own seat in the cabinet, and more freedom to promote the interests of the ministry than when it had to follow the lead of its much bigger parent.

Their second example is the creation of a unified Department of Work and Pensions.

The creation of the Department of Work and Pensions in 2001 – a change which has stood the test of time – sensibly brought together the government agencies providing frontline services to those receiving state employment benefits and was announced after a lengthy, if rather fraught, planning process which tested the viability of different integration models.

It is interesting because it is a relatively rare case of a machinery of government change driven more by a ‘bottom-up’ than a ‘top-down’ logic. Ministers and officials tried – over a period of many months – to work out which frontline service models would deliver more seamless and efficient services and then reshaped departmental structures to match. (Institute for Government 2016)

In other words, if the guiding ambition is to provide a better service to citizens, and a way can be found to do it, then a change may well be the best answer.

Based on their analysis, the Institute for Government offers six lessons:

1. *Make sure departmental restructuring has a clear operational purpose.*
2. *Beware of hidden costs.*
3. *Remember the trade-offs that are always involved in such changes.*
4. *Put in place expertise to support decisions and implementation.*
5. *Don't rush – and know what a good decision-making process looks like.*
6. *Find other ways of ensuring departmental focus and cross-departmental co-ordination.*

(Institute for Government 2016)

For those 'other ways', the Institute likes the practice of sharing ministers between departments (as happened with the Skills Minister in England: see above), as long as that means a proper alignment. It will not work if it simply means that the minister has two unrelated part-time jobs.

Other alternatives are to define cross-ministry objectives, or to set up cross-ministry teams, or to have shared budgets.

SOME FINAL QUESTIONS

As we said at the beginning, it is not our purpose here to say what ‘the answer’ is. There is no single answer, and what is right for your country will depend on many things, not least your own context.

There are some common themes, however, which we present here, as a series of questions:

- Strong central leadership – from whichever ministry is in the lead – should help to drive change, but how do you balance that with mechanisms that draw in the support of other ministries, regional government, allies like business, and colleges and training providers?
- When is it most helpful to have skills policy in the hands of an organisation close to the centre of power, and when is it better to be a bit more distance to keep programmes free from too frequent change?
- Do arrangements designed for ‘business as usual’ still work when you are running a major reform programme? And vice versa?
- What difference does a country’s stage of development make? If a country has a lot of work to do with school-age education, for example, does that mean linking skills closely to the higher priority, or giving it a separate organisation so it gets enough attention?
- What functions and responsibilities should be held centrally by the ministry responsible for skills policy, and what should be delegated to others – other national ministries and agencies, regional government, colleges and training providers – so they get the room they need to innovate and to tailor skills development to their own circumstances?
- When power and responsibility is delegated, how does the central government ministry responsible check and make sure that the organisation now responsible has actually delivered effectively?

And finally:

How much does it matter that citizens and employers know and understand how you organise for skills development? Does it matter at all? Does it, perhaps, matter much more that they get clear, consistent information about the services available, and a commitment to a ‘no wrong door’ approach from government? In effect, if they approach the wrong arm of government they get some initial help, which sets them on the right path.

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GLOSSARY

ASEAN	Association of South East Asian Nations
DHET	Department of Higher Education and Training (South Africa)
ETF	European Training Foundation
MOLISA	Ministry of Labour, Invalids and Social Affairs (Vietnam)
OECD	Organisation for Economic Cooperation and Development
SAIT	South Alberta Institute of Technology (working in Kazakhstan)
SENA	National Learning Service (Colombia)
SETA	Sector Education and Training Authority / Authorities (South Africa)
SSC	Sector Skills Council
TVET	Technical and Vocational Education and Training
UK	United Kingdom
VET	Vocational Education and Training

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