

# Successes and Challenges with Private Sector Involvement in VET

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## Abstract.

EU and other donor organizations are launching vocation education and training (VET) as a remedy for youth unemployment and poverty. In order to have effective VET system there is a need to involve private sector in its' modernization and development. In the text I analyse qualitatively data from 23 national reports covering VET systems prepared during Torino Process for European Training Foundation (ETF). The analysis shows that although many countries incorporated VET in their strategies, still some are struggling with effective implementation of this system. The text describes successes and challenges connected to private sector involvement in VET, as well as some good practises. The solution is to establish partnerships between public and private sector. I introduce a theory of partnerships from Marriot and Goyder (2009) and Hands (2005). In the text I give examples of good practices, such as: clear division of responsibilities between schools and employers, tax incentives for employers, cooperation between state, university and companies.

**Keywords:** vocational education and training, private sector involvement, partnership model

## 1. Introduction

### 1.1 Vocational education and training

Vocation education and training has been in focus of many organizations, such as European Union, GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), ILO (International Labour Organization), Swiss Founds and many others since a decade. Many countries while reforming educational systems aim in attracting more students to VET. The European Commission (EC) launched in 2008 the “New skills for new jobs” initiative, and persuades to include work based learning (WBL) in vocational education. This is promoted not only in Member States, but also in partner countries, or countries who benefit from European help.

The shift to vocational education and training had various reasons. Since the beginning of XXI century youth unemployment had been growing, leading young families to poverty. There was also a gap between skills obtained by youngsters at schools and qualifications required by employers. Not only the knowledge obtained at schools was out of date, but also lack of workplace experience and critical competences contributed to the “skills gap”. School system are changing slower that the needs of the labour market. Vocational education should be geared by the needs of the job market in order to prepare graduates become educated, trained and skilled personnel in same the specific market area (Hamid, Aribowo, & Desmira, 2017). Vocational education and training must be intertwined with the worl of work. The learning

Outcomes of school or training programs should come from needs and demands of employers in order to level the skills mismatch and skills gap. In order to ensure qualifications and skills that are taught/trained they are relevant and appropriate to the needs of world of work (Evans, 2014).

Moreover VET is considered as not attractive, because the schools have outdated equipment and teachers are not trained properly. There is constant lack of money for equipment, especially for technical schools like laboratories or dedicated machinery. Teachers are not trained adequately. Many countries struggle with aging workforce (TALIS 2018). These are people trained in times when technology was not developed to current extent. Majority of observed countries mentioned that their teachers are mostly people trained in different educational and economical setting. Their knowledge is not relevant to requirements of modern world. Due to the lack of state resources for teachers training they have few opportunities to update their knowledge and skills.

Moreover in many countries VET schools have low prestige. After decades investing in universities and convincing people that only higher education increases chances in the job market, people withdrawn their attention from vocational education and training. Meanwhile research shows that graduates after VET are successful and much needed in labour market. Labour market needs VET graduates. Their skills are sought by employers. Digitalization of certain branches forced people to change their occupation obtaining new qualification by adults. Today a standard person will change occupation seven times during lifetime – so it is crucial to make possible obtaining new skills and qualifications in a flexible way (Cedfop 2017).

Although this recommendation to shift focus from universities rather to vocational education and training is not new, still many countries struggle to implement effective solutions in this area. Engaging employers is hard. They do not see immediate benefits for their business so they are reluctant to engage in VET. Because it requires a change in the pattern of their business, which is never easy, and can be costly (Gajda, 2004).

## 1.2 Models of partnerships

In order to engage employers in VET, there have to be partnerships established. There are some prerequisites: appropriate state law that enables cooperation between school and other partners, including private companies. In many countries educational law allows only teachers to contact with students, no NGO or employer can be invited to teach or lecture. This has to be changed if WBL is to function. The second prerequisite is clear distribution of roles and effective governance of partnership.

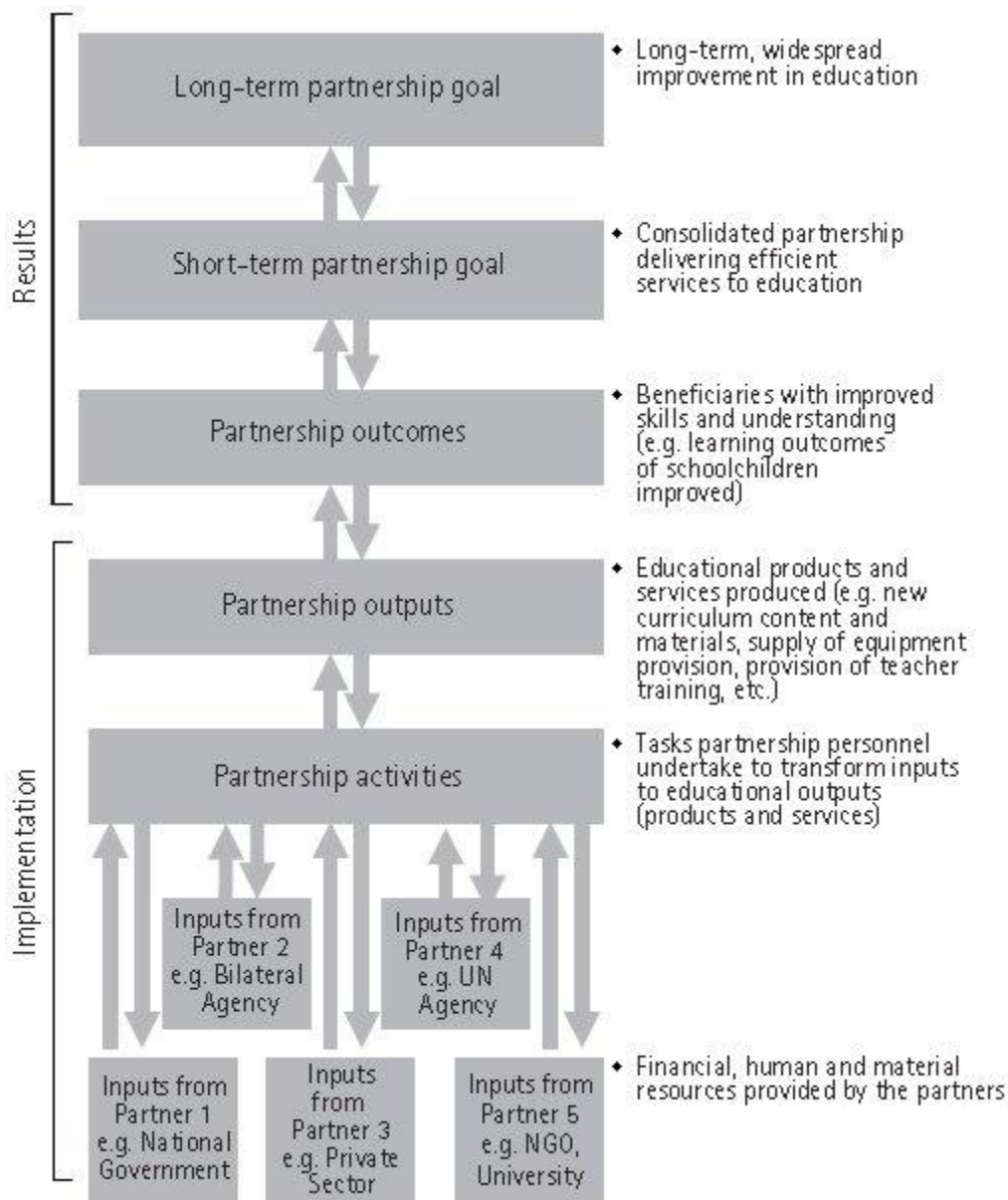
There are certain stages of partnerships:

- common understanding of situation and respect for mutual goals
- establishment of joint commitment and considering the implications of the program
- at the stage of implementation/ execution, carried out action planning, resource management, definition of roles and responsibilities each partner, as well as capacity building
- evaluation of the partnership in order to decide on renewal, improvement or termination of partnerships (Franks & Smith 2000)

In order for the partnerships to be sustainable – it needs a realistic planning, detailed implementation, checking and determining feedback and follow-up program (Marriott & Goyder, 2009). However if we review partnership programs implemented in the education sector, Hands (2005), there are more focus on the needs of students, the achievement of school programs, not on employers benefits.

Literature shows also challenges conected to partnerships: administrative barriers (pending reforms, rapidly changing governments), low level of capacities and capabilities of partners; low trust between partners, partnerships are considered troublesome and fragile (UNESCO, 2013; Lannert, Munbodh, & Verma, 1999). While partnerships are dynamic and evolving, should be considered more as a journey and not as an end.

Figure 1: Chain of Multi-Stakeholder Partnerships in Education



Source: Chain of Multi-Stakeholder Partnerships in Education (Marriott & Goyder, 2009:21)

In order to make the partnership work the parties involved have to give their appropriate assets – financial, human, material, know how and start to interact. Sometimes it is enough for a company to enable students to use their machinery or to send an employee to teach youngsters about novelties in his or her field. The financial investment is not always essential, sometimes sharing know how with students makes an important difference in the process of learning. In many cases development of new curriculum is a goal of partnership. However, this is just a first step to improve learning outcomes of school children and delivering efficient services to education.

This paper will show some data about involvement of private sector in VET and some good practices as well as institutional framework that is essential to make educational partnerships work.

## 2. Methods

This cross-country overview was prepared on the basis of results from the Torino Process. The Torino Process is a biennial review of vocational education and training (VET), which countries in East and South-East Europe, Central Asia, South and East Mediterranean and the Southern Caucasus (further “partner countries”) are carrying out since 2010 under the coordination of the European Training Foundation (ETF).<sup>1</sup> In 2018, the Process covered 23 countries in these regions: Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Egypt, Georgia, Israel, Jordan, Kazakhstan, Kosovo, Kyrgyz Republic, Lebanon, Republic of Northern Macedonia, Moldova, Montenegro, Palestine, Russia, Serbia, Tajikistan, Tunisia, Turkey, Ukraine and Uzbekistan. Inspired by the European Union (EU) Copenhagen-Bruges Process,<sup>2</sup> the focus of review is on VET policies and their impact on national VET systems, and on the ways these systems respond to and shape social and economic developments in these countries. Countries were publishing these reports at the beginning of 2020.

The methodology of the Torino Process foresees a structured, formal process of self-reporting by partner countries with the aim of collecting and interpreting primary evidence on VET, as described next. The findings are documented in the form of country reports, which provide a basis for secondary thematic analysis, like the one presented in this paper.

The questions in the analytical framework take stock of developments in five review dimensions: vision and VET strategy, economic and labour market context of VET, socio-

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<sup>1</sup> The European Training Foundation is an Agency of the European Union with a mandate to support non-EU members in their efforts to reform their systems for skills and human capital development. See [www.etf.europa.eu](http://www.etf.europa.eu) for more information.

<sup>2</sup> For more information see <https://www.eqavet.eu/What-We-Do/European-Policy/Copenhagen-Process> and [http://ec.europa.eu/dgs/education\\_culture/repository/education/policy/vocational-policy/doc/brugescom\\_en.pdf](http://ec.europa.eu/dgs/education_culture/repository/education/policy/vocational-policy/doc/brugescom_en.pdf).

demographic context of VET, internal efficiency of the VET system, and VET governance. The questions are organized in five groups (building blocks), one for each dimension.<sup>3</sup>

The reports were coded with below mentioned codes: **Policy Solution (PS).1** Qualification frameworks, **PS.2** Work-based learning (e.g., dual education, apprenticeship systems), **PS.3** Staff training (pre-service and in-service training of teachers, principals), **PS.4** Evidence collection systems (establishment, improvement), **PS.5** Financing of VET (e.g. per capita funding, public-private partnerships), **PS.6** Decentralisation, **PS.7** Provider network adjustments (optimisation, establishment of new providers such as centres of VET excellence), **PS.8** Curricular reforms (e.g. modularisation, changes in programme content, etc.), **PS.9** Private sector involvement, **PS.10** Inclusive education (TVET), **PS.11** Provision of support for learners (e.g. TVET scholarships or additional places), **PS.12** Changes in VET governance and management modalities, **PS.13** RFIL (recognition of prior/informal and non-formal learning), **PS.14** Capital and infrastructure investments. There were 3629 codes total concerning these aspects of policy making in above countries. Further qualitative analysis concerned PS.2 and PS9: Private sector involvement – 151 codes , WBL 90.

In this text I will not share the names of countries I will treat them as responders in interviews and give a special codes to anonymize the content, f.e. G.151 – where G stands for a country, and 151 for paragraph from the report.

## 3.Results

### 3.1 Educational strategies

In recent years, governments have made efforts to increase the involvement of the trade unions and employers' organizations in the skills development system, as to use their inputs into education and labour market policymaking. This has been done through different initiatives, such as NQF and occupational standards. The need of involving private sector is stated explicitly in revised reports and national strategies when updating and reforming vocational education and training occurs. I analyzed the strategies concerning VET of 23 above mentioned countries. Some documents include only strategic visions:

- *The sector will be more involved in the vocational and technical education processes and the cooperation opportunities with the sector leaders will be increased (G156),*
- *The framework emphasizes that the involvement of stakeholders should be ensured at each level of VET governance.(U.426)*
- *The concrete steps taken by the state are expected (Sectoral Coordination Council, Framework for Enhanced Social Partnership in VET, Tripartite Memorandum of Understanding, National VET council, sector committees and etc.) to have positive influence on the further development of the system. (G.608)*

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<sup>3</sup> A full overview of the guidelines and analytical framework of the Torino Process 2016 can be found here:

[https://www.etf.europa.eu/sites/default/files/m/56C067652F13DD66C1257F76005AFA6B\\_Torino%20Process%202016-17.pdf](https://www.etf.europa.eu/sites/default/files/m/56C067652F13DD66C1257F76005AFA6B_Torino%20Process%202016-17.pdf)

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- *The role of the private sector is to assist VET institutions in curriculum development, including training through enterprise participation in curriculum review, student assessment, widespread use of hands-on exercises, and assistance in career guidance decisions. (Uz.963)*

Other documents focused on establishing new bodies or committees to manage mainly qualification frameworks or implementing earlier strategies. Those bodies, such as sector councils, can be responsible for consulting curricula, evaluation of new qualifications, developing National Qualifications Systems, checking whether the learning outcomes of presented programs are adequate to current world of work, developing quality assurance in VET schools. Work of those councils is often supported by donor organizations (Twinings).

- *Trade Unions Confederation, Employer Association and the civil society organizations are the recognized partners of the Ministry and their engagement in VET is guaranteed at policymaking process (G.608)<sup>4</sup>*
- *Members of Trade Unions are present in School Boards of the VET schools, management of the VET Centre and VET Council, Boards for Cooperation and Public Confidence in HEIs, sectoral committees for qualifications, etc. (M.224)*
- *The increase of the private sector involvement in identifying training needs, and development of occupational standards and TVET programs' curricula through their participation in technical committees. (NM.325)*

The third group of documents include implementation plans. Some partnerships are only between state and social partners – trade unions, and others directly refer to employers.

- *National and international sectoral cooperation protocols and education projects, which can be used as a good practice model will be implemented. (G.230)*
- *Signing agreements between TVET institutions and private sector for cooperation/ partnership in implementing training, developing curricula and learning materials, providing of equipment, management of the training process/ facilities (J.86)*
- *It is crucial to come up with a platform for initiating social partnerships at the micro level: between a specific educational institution and a specific enterprise or several enterprises in a specific administrative unit (district, city or region). For this, the relevant ministries should identify a point of contact – a speciality (one or several) of a vocational profession – that the labour market demands most in the target area. The respective educational institutions can be given the status of 'experiment-supporting stations' for the development of social partnerships (T.651)*

As the engagement of civil society and employers in the management of VET institution is still weak, the ministries of various countries are working to simplify engagement of stakeholders in VET and to define stimulating mechanisms for them.

### 3.2 Partnership goals

Partnerships may have different goals. I will present four main of them. The easiest way to support VET is to invest in schools' infrastructure. Almost all countries mentioned equipment shortages and poor infrastructure as one of main VET problems. International organizations are active in this field and provide modernization of buildings, equipment for vocational schools and centers for career development. This is a popular area of donors support, those

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<sup>4</sup> These are quotes from national reports.

investments are needed for two reasons – first to provide updated equipment and materials for students to learn, secondly – the state of infrastructure of buildings are part of VET’s image. If the buildings and equipment remember previous century – it is hard to attract students to vocational education.

*Investments from the State Budget (except those made within the EU SBS programme) to improvement of the VET institutions infrastructure are extremely limited. In fact, all other institutions not involved in the support mentioned in the above paragraph, are still in the conditions inherited from the 1980s or have only little parts of premises renovated during the last decades, or extremely limited training equipment which can be considered as relatively modern. Some budgetary investments for improving the building conditions are foreseen for 2019-2023. (Ar.608)*

Other type of investing in infrastructure is establishing new vocational and training centers for excellence open also for adults. These centers offer an updated short courses and vocational training. Apart from its training function, those centers could perform certain ‘hub services’, which could support industry responsiveness and the VET system reform as a whole through facilitation of skills innovations in the selected sectors and the design of additional services, including sector cooperation and knowhow exchange. VET centres implement dual training practices with a proportion of 40% of theory and 60% of practical training. This approach is aimed at solving the problem of mismatch between the skills of job seekers and the needs of the labour market. It also helps to increase the responsibility of employers for the quality of workforce training.(U.145)

Other partnerships aim in staff training. Companies provide trainings for teachers. Teachers are also invited to study visits in partner countries to learn new didactics and acquire new materials for teaching. The feedback of these project is positive as both teachers and students appreciated the content of the new programs, which made students more engaged and active (NM.393, Az.402).

*This pilot provided a successful example of integrating entrepreneurship within the VET teaching system, and how students can be supported to sharpen their creative skills. In fact, Minister of Education & Higher Education, as per the meeting with the association, requested funding to have this Entrepreneurial learning in VET schools, and 50 teachers will be trained as a pilot project to be expanded to other schools. The implementation date and process is yet to be determined. (L.345)*

Although changing teachers’ and principals’ mindsets seems to be a challenge in many cases.

*The aim is to have coder maker integrated in all VET schools. However, the process was not smooth and main challenges relate to the sustainability of this initiative given its dependency on donor funds, the mentality of the schools directors to integrate creative learning among students, and the binding structure of the VET system. Lebanon, poz.345*

Other partnerships are focused on work based learning (WBL). Private sector involvement is rarely an rankandfile initiative. State must enable and encourage such action. First there have to exist legal procedures for private companies to get in touch with students. Relations between schools and employers have to be regulated, f.e. how many hours for apprenticeship is given to the students, who is in charge of student while at employer's, is work based learning obligatory, or voluntary for each student – these are questions that must be addressed.

Employers are often reluctant to engage in VET, they do not see positive aspects of inviting students to work in their companies. However, donors' support has a positive impact on engaging stakeholders, especially employers, in VET reforms (f.e. description and appraisal of qualifications). Employers are more likely to engage in consultations of qualifications and work based learning when they are invited to these events by international organizations not by local governments. There are successful cases of facilitating agreements between employers, students and schools in implementing apprenticeship programs (preparing contracts, explaining the rules to all parties of the process). Data provided by some projects reported over 60% of graduates able to either remain in the companies as an employee or get full time employment in the sectors in the same occupations (Az.386)

*Positive shifts in the process of engaging stakeholders, especially employers, in the process and appraisal of qualifications, which have happened as a result of the implementation of project initiatives of international organizations. Tajikistan, poz.650*

Moreover, the engagement of employers can be divided according to the scale of private company. Bigger corporations can be involved in the process of organizing career guidance. For example, a company in Uzbekistan has developed and implemented the Find Your Vocation program, which will help high school students choose their future profession. (Uzb.667). Other companies may be involved in apprenticeships programs. Partnership with leading local employers in various specialties is carried out on the basis of a four-party agreement - between the company organizing the industrial practice, the student (and his / her family), municipal authorities (to guarantee the provision of a job and industrial practice). A mentor is assigned to each student undergoing internship, who supervises and monitors the progress of the internship. Employers can be also directly involved in evaluating vocational college graduates for technical proficiency, both in theory and practice. (Uzb.961)

It is important for employers that they can select candidates. In some cases WBL programs do not provide this step in the cooperation between school and company, and those partnerships are evaluated as less effective and more fragile. If the company is allowed to select their own candidates it is easier to develop individual learning plans with in-company trainer and school instructor. After the apprentice Company staff can evaluate students' progress. Nevertheless all companies have to be prepared for a their new role.

Some countries develop different incentives for employers, such as tax release or tax immunity.

### **3.3. Good practices of public private partnerships**

Other partnerships may aim in development and implementation of wide educational change. Those concerns especially cooperation of universities with big companies (Kaz.190).



An example of a good practice is described below: A partnership was signed between ministry of Education - the Union of Chambers and Commodity Exchanges and Economics and Technology University in 2019 for 10 years. This partnership would coordinate 81 vocational and technical High Schools – one in each provinces of the country to apply a new curriculum. It is aimed to facilitate the adaptation of the students to digital transformation, and to create environments where they can learn by developing robotic literacy and entrepreneurship, critical, designative, and creative thinking skills by establishing R & D, Design and Skills workshops in schools. Successful students will have access to scholarships. Local Chambers and Commodity Exchanges will help those students to find employment in a short time after graduation (T.750). Partnerships between universities and companies aim also in exchanging the know-how, knowledge and R&D findings – to transmit those findings into business quicker.

Another good practice is one implemented in Egypt by USAID. In 2018, the Ministry of education commenced with establishing “a new brand of schools” called Applied Technology Schools, under a PPP with private sector companies. The project linked businesses and technical schools in order to understand the skills need for employment – reducing the current skill mismatch, creating a pool of qualified candidates, and linking students with jobs. The project also partners with private sector companies to introduce and implement productivity improvement strategies and improve human resources systems that reduce staff turnover. In addition, the project is building the capacity of business associations to promote reforms related to labor market efficiency. USAID project works in 11 governorates, in five sectors (RMG, textile, food products, furniture and tourism). Stakeholders engaged in the project perform (among other things) such actions:

- Unit for Transition to Employment in 60 School an 11 local municipalities
- Train teachers (1000)
- linking students to employers through an internship programme, resulting in 13,000 internship and 22,500 employment.
- Established 24 innovation clubs in participating schools – 10 are equipped with state of the art fabrication labs, and designed and implemented the model Fanni Mobtaker Innovation Competition (E.151).

Different scenarios are provided/ available for various companies. companies have three agreement options depending on the level of responsibility they can and/or want to undertake. This includes

- Full Partnership Agreement, is suitable for large and labour-intensive companies as well as with mega national projects
- Consortium Partnership, is suitable for medium size enterprises,
- Associate Partnership. allows small and micro enterprises to participate in the apprenticeship programmes.

#### 4. Conclusion and discussion

Many countries are trying to engage companies in vocational education and training for students but this subject still needs attention. Reading all the strategies on involving private sector in VET – there is a lot of attention given to underline the benefits of schools and students, but not so much about private sector benefits. In order to attract companies the

advantages of WBL for companies must be emphasised. WBL can be a way to recruit best employees and train them according to the rules of any particular company. Probation time in these circumstances is paid by the state. According all the rules about forming partnerships – both parties' needs should be addressed by the cooperation. This is the only way to make this endeavour sustainable.

Reading all the countries strategies there is one more conclusion: there is a threat that too many actions will be expected from employers – they are invited to give WBL, consult curricula, advise on the demand for qualifications. Responsibilities should be divided among various social partners. Consultation of programs and qualification frameworks could be given to official councils related to ministries.

Private companies depending on their scale, can offer job counseling or WBL. However, in order to make partnership sustainable, all the actors have to be prepared for their roles in this process. The roles have to be described precisely. Governance mechanisms of partnerships need to be clear and commonly understood: who should be involved, when involved, what the roles and responsibilities of each (who does what). State should be a trigger in initiating those partnerships and a facilitator in the negotiations. However, from the data collected it occurs that international donors are effective mediators in this process.

International support also focuses on providing teaching and learning materials (mainly textbooks). Projects financed by international partners aim in updating schools for modern economy, introducing more practice oriented curricula.

Involvement of private sector makes changes in VET more effective, however – this cannot happen in every school by the same pattern. Programs and solutions must be tailored to the region, adjusted to local labour and educational market. For example in Poland the overall number of students in VET is 58%, but involvement in VET in some regions is 25% of students are in VET (for various reasons), and different for places where 90% attend VET schools (BKL2019). Different branches of economy, there are different companies in particular regions. In some regions – there are many big corporations, in other medium size companies are more frequent. In some regions mining is popular – in other shipyards. Those sectors are differently organized and there does not exist one particular solution that can be implemented on different local municipalities.

There are certain stages of partnerships, Frank & Smith (2000), partnership is an arrangement of the work stages and follows a logical sequence, starting from an early development stage (seed and initiation), execution/implementation, and ending with the accountability assessment/ evaluation and determining the next direction. However – in the field of VET it is hard to tell that they finish the cycle. Evaluation, checking and determining feedback and follow-up program (Marriott & Goyder, 2009) is rare. Only in one country there was a need for labour market information and research/forecasting mechanisms on the local and regional levels.

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