

BASELINE STUDY OF DAKCHYATA TVET PRACTICAL PARTNERSHIP PROJECT

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Dakchyata Baseline Study Findings Hints Towards A
New Balance Between Public-Private Sectors For
Quality Technical Vocational Education and Training
(TVET); extract from the full report below



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1. Background

Technical and Vocational Education and Training (TVET) has the potential to increase individuals' employability and meet the labour market needs of growing industries. Compared to higher education, TVET focuses on practical training and skills development that can be directly linked to occupations, production, services, and livelihoods.

The Government of Nepal has long recognised the importance of TVET in 1989 the Council for Technical Education and Vocational Training (CTEVT) was established as the national autonomous apex body for the TVET sector. However, the TVET system in Nepal faces various challenges: 1) the numerous actors result in a system that is fragmented, and faces coordination challenges, 2) private sector employers are not substantially involved in developing the TVET system and as a result, TVET supply is disconnected to TVET demand, and 3) the combination of a fragmented TVET system with limited employer engagement means that overall quality of TVET could be vastly improved.

Nepal, like all government today, has realised its limitations in providing and financing learning programmes to support all the skills needed, without the involvement of business and industry. The key is finding appropriate the balance between government, private, and non-government provision and financing for training people, in particular in the field of skills development. Over the last 30 years, the global trend has been to focus skills development within the private sector, however, there are many things that the private sector cannot do. These include developing national policies, focus priorities for economic development, guiding curriculum development, quality assurance systems, and updating national labour market information, and it is in these areas that the government has a very important role to play.

Henceforth, Public Private Partnership (PPP) aims to change the role of the public sector in TVET systems, and requires a conceptual shift from implementers to facilitators of change. This changing government role includes shifting from the provider of TVET services and programmes, to the role of facilitation and regulation of TVET. The TVET PPP process provides increasing opportunities to the private sector to take the responsibility for skills provision and standards required for human resources development to support national and regional economic development. Thus, the establishment and recognition of PPP approaches in TVET is central to the Dakchayta TVET Practical Partnership project. By working together, government, employers, and public and private training providers can jointly develop and implement TVET and related skills development practices to respond to the diverse needs of the labour market, the economy and individuals.

In this vein, Dakchyata conducted a baseline research study intended to showcase the current state of the TVET system, particularly as it relates to the Dakchyata TVET Practical Partnership project and its logical framework. It became clear from the research that both government systems and the private sector are responsible for the TVET Sector not working at its optimum level in Nepal, and the research advocates for an increase in engagement with the public and private sectors

The research facilitated by Dakchyata is not in a position to say that one opinion is superior or more valid than another; but, the fact that there is a varied opinion demonstrates that there remain continuing challenges for TVET quality, private employer engagement, and coordination in TVET.

2. Methodology

The research applied a mixed-methods approach that is predominately qualitative in nature. The qualitative approach allowed the researchers to gather a much more complete and nuanced understanding of the status of Dakchyata TVET PP activities, with more of a focus on how and why phenomena occur. The nature of Dakchyata TVET PP activities – building capacity and providing guidance, improving coordination, and influencing relationships - is not easily or meaningfully quantifiable.

Therefore, the findings presented which is part of the full study constitute baseline information on TVET in Nepal as it relates to the Dakchyata project, and reflects a compilation of baseline research conducted between month 2017 and June 2018. The findings are organised around the nature and extent of TVET quality assurance, private sector employer engagement, and planning, coordination, and governance.

3. Findings

Some of the main findings and recommendations of the Study are highlighted herein.

1. Quality Assurance in TVET

Overall, understanding of quality assurance among CTEVT is focused on measuring inputs such as curricula, assessments and school infrastructure, instead of outputs like TVET graduate employment, or whether employers are satisfied with the quality of TVET hires. Curricula and assessments can function as an important part of quality assurance if they are tied to occupational standards that are defined by employers. However, in the current TVET system, occupational standards and classification are still decided by CTEVT, and thus operate more like training descriptions. Moreover, there is no uniform systematic occupational and skill demand methodology used to help determine the types of trainings that need to be developed; new curricula are often developed with less input from the user agencies, and lack institutional ownership.

Thus, TVET in Nepal remains supply versus demand-driven, and as a consequence, its graduates do not have all the required skills relevant to the world of work. Employers express disappointment over the performance of TVET recruits, citing a lack of graduates in the occupations they need, and graduates' overall lack of practical knowledge and experience.

2. Private Sector Employer Engagement with TVET

In a survey of individual employers, almost all feel that they cannot influence the TVET system, and that it is difficult to engage because they have limited understanding of the system, and their inputs are sometimes not prioritised. Of the types of TVET employer engagement, the most frequently cited is on-the-job training for trainees. Stronger policies and frameworks are required for this, and all other types of private-public partnerships (PPPs) in TVET. Other types of PPP commonly seen in TVET systems internationally are less prominent in Nepal.

The gap between an individual employer and TVET policies and strategies is large. When discussing influence, some employers mention industry associations as their representatives. At the same time, there are limits in the capacity of these associations to both systematically collect data from their members, and to report-back information from CTEVT.

3. Planning, Coordination, and Governance for TVET

The 2012 TVET policy guides the TVET activities under the Ministry of Education, Science and Technology (MoEST). Under the current planned reform, the new policy's reach would apply to TVET in over ten different ministries that are providing TVET. There is an inter-ministerial Policy

Coordination Committee and an inter-ministerial Technical Committee that exist to improve coordination, dialogue, knowledge management, networking, and planning. However, despite many meetings, there is not yet a plan to implement the new policy and streamline these various systems and requirements. A draft TVET strategy and roadmap have been developed, but are not yet approved, and still require a timeframe for activities and milestones. Consequently, there is no systematic TVET monitoring at a national level. Current government reorganisation and federalisation is cited as one of roadblocks to the strategy and roadmap.

A national TVET fund is envisioned, to help create a pooled funding mechanism for TVET. However, details for this fund have not been decided, and it has not been approved. Across different ministries, coordinated data on TVET provision in the form of a joint management information system (MIS) is not yet in place; there were some initiation in 2017. From the demand-side, there still is no national labour market information system that would help detail occupation demand, and ideally integrate with a MIS with TVET supply data. Lastly, public awareness and understanding of TVET is limited, and there is no coordinated approach among providers to improve this.

These findings have prompted a number of recommendations, listed below, that can be generally applied to improve the TVET system in Nepal, but mainly apply to the project scope of work.

4. Recommendations

1. **Focus on “quality”.** There is an urgent need to develop a common understanding/framework for what “quality” in TVET should mean. There should be a reorientation of how both public and private sector understands quality in TVET - away from just monitoring inputs and towards measuring outcomes. A quality assurance model/framework should be established including a regular and reliable system for tracer studies that track graduates’ transition to work, current occupation, etc.
2. **Improve understanding of definitions.** There seems to be a lack of clarity around definitions (occupational classification versus training/curricula classification or occupational standards versus training/assessment standards) and therefore these definitions need to be clarified or harmonised based on international practice.
 - a. *Occupational classification.* The study suggests that a system of occupational classification should be conducted through the Ministry of Labour and Employment/Central Bureau of Statistics that is aligned to international standards for the classification of occupations. What is often currently understood to be “occupation classifications” is more akin to training classification provided by the NSTB. It is oriented around education and not labour.
 - b. *Occupational standards.* The study also suggests that *occupational standards be defined separately from training, skill, or assessment standards.* In particular, occupational standards need to be defined by employers. Lastly, these occupational standards need to be rationalised across all of the TVET providers in the country, not just CTEVT.
4. **Build capacity for private sector associations and federations.** There is an underlying assumption that the way to engage with private employers is through associations and federations, and it is true that there are long-standing associations with large membership and reach. At the same time, these groups have limited resources (human and financial capital) to engage with the TVET system effectively. They need to be strengthened so that engagement with the TVET system represents an institution or sector, and not simply an individual person or enterprise. There are two directions in which information needs to flow better: associations need to be able to collect better data from their constituents to effectively use it to advocate at the policy or systems-level; at the same time, associations need to be better able to communicate the information they receive from the TVET system to their members. The study advocates for capacity-building assistance to these associations.

5. **Develop separate strategies for associations and federations with differently sized constituents.** In Nepal, there are differently sized firms – micro, small, medium, and large. The different industry associations represent firms of varying sizes because the needs and interests of these firms are different. NACCFL, HFPN, and FNCSI, for example, represent smaller firms and CNI, FNCCI, and HAN tend to represent larger firms. Often, the smaller firms are more fragmented and dispersed throughout the country. Larger firms are more professionalised, and are concentrated in cities and industrial corridors. The smaller firms hire more informally through family and friends, where staff perform a variety of roles; larger firms may place more emphasis on TVET certification for employment and staff have more specialised functions. It should be recognised that all of these firms have different labour market needs. Smaller firms, for example, may need more short-course skills upgrading for existing staff. Larger firms, on the other hand, may need entirely new categories of skills training because of new specialised occupations that have appeared in their industries. Furthermore, there is more than one employer association of the similar sector or sub sector, such as, Nepal Dairy Association, Nepal Dairy Enterprise Association, etc.
6. **Strengthen communication about CTEVT and proactively procure information from employers.** A limited understanding among different sized private firms about the TVET system (as mentioned above) makes it even more difficult for employers (but also private associations/federations) to know how to (or want to) engage and provide feedback into a system that depends on their input for continued relevance. The employer survey also showed that most employers do not take initiative to provide feedback (in part because of a lack of clear mechanisms or knowledge about the system). This passive or responsive attitude suggests that CTEVT needs to be more proactive in procuring information and seeking engagement. To that end, CTEVT should be supported to help them build stronger two-way information channels and strategies to private employers. Relatedly, there is a need to communicate or reorient employers to the idea that CTEVT also provides/facilitate short-term (3 month or less) skills training.
7. **Make the framework and guidance for TVET PPP easily accessible.** The study suggests that there needs to be a mechanism to make TVET PPP frameworks or guidance accessible (understandable) to the public. There is a demand for knowledge on practical, realistic ways for engagement. This guidance should be written in simple and clear language, and provided transparently for a variety of stakeholders, including small enterprises, large professionalised industry associations, and for government civil servants. The TVET system tends to be riddled with jargon that private employers may not fully understand. Removing jargon will help reduce confusion and ultimately increase employer buy-in and participation.
8. **Change perceptions and generate demand for CTEVT graduates.** The study gives the idea that there needs to be a perception shift of CTEVT graduates, by adding value through demonstrated effectiveness. In this regard, improved communication about CTEVT to employers is the first step, since many do not understand the TVET system, how CTEVT is different from other providers, and what students learn through the CTEVT curricula.
9. **Recommend the development an integrated Management Information System (MIS) for TVET supply.** To complement the new TVET policy, there should be an integrated (cross-ministerial, not just MoEST) MIS so that different ministries can feed TVET-supply information into a centralised database. Part of the current state of coordination is related to a lack of transparency between the different databases used among TVET providers. As this MIS would be supply-side only, it should connect with the Labour Market Information System (LMIS) which has labour demand information.

5. Conclusion

The TVET sector in Nepal is incredibly complex, with a wide range of public and private actors. While there have been efforts to create TVET standards and improve coordination, many of them do not sufficiently address the needs of the sector. Some of the fundamental building blocks for a strong TVET sector are missing; much of this is related to a lack of national frameworks, definitions, and labour market information. Before talking about assessment or training/curricula standards, for example, there need to be occupational standards that are defined by the private sector, and a system of occupational classification that is distinct from training/curricula classification. As of today, there is confusion between occupational classification and standards, showing that basic definitions should be clarified. Improvement of these fundamental building blocks would, in turn, help create a uniform and relevant procedure for curricula development, training programme monitoring, instructional assessments, and evaluation of TVET programmes and provision.

Private sector employers express frustration with the TVET system, as it is not often able to provide the practically trained skills that it needs. At the same time, the lack of communication and the superficial nature in which the private sector is engaged by government leaves them feeling frustrated and unable to influence the system.

Thus, the study calls for a new, effectively engaged, public and private sector building and sustaining a practical partnership for TVET reform. The effective partnership should ensure open dialogue and strategic discussions, effective sharing of resources, clarity of roles and mutual responsibilities, practical involvement and commitment of high level management for both sectors for mutual responsibility.

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