



Facilitating the private sector's engagement in Technical and Vocational Education and Training (TVET) in Nepal



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'Synopsis of a study report'

Background and Context

Engaging the private sector in Technical and Vocational Education and Training (TVET) provision is essential and, like many other South Asian countries, Nepal's 2012 TVET policy emphasizes the private sector's role in skills development. This is also reflected in Nepal's Thirteenth Three Year Plan 2013-2016 which stresses the private sector's participation in development, including coordination and collaboration in TVET. It is also echoed in sector policies, including those for labour and employment, foreign employment, tourism, and industry, all of which have skills components and they see the private sector as a primary driver of TVET provisions.

Clearly, however, the private sector's role in TVET is not only in terms of training provision, but also include a range of other areas. These comprise policy formulation, priority setting, labour demand forecasting, curricula and quality indicators, skills standards, on-the-job training and apprenticeship and, of course, employment. This suggests a number of prominent areas for private sector engagement in TVET, including partnership in the development of national TVET strategies, in training provision, through apprenticeships, and in the joint management of TVET schools.

In practice, private sector engagement in TVET in Nepal has been weak and has not extended much beyond the private sector as a training provider. In contrast, there is almost no role in policy, the design of activities, or the management of public TVET schools. This is brought into sharp focus by the 2015 Constitution, which established Nepal as a Federal State, with the new governance structure likely to demand more localized models for private sector engagement in skills development.

Benefitting from other countries' experience will be important, particularly the member states of the South

Asian Association for Regional Cooperation (SAARC) that have legislative arrangements and institutional structures in place for private sector engagement. SAARC countries in fact have a range of structures for this. Thus, in India, Sector Skill Councils, industry-led TVET institutions, and workplace-based training have been introduced. In Sri Lanka, there are joint ventures between the government and the private sector, including the Ceylon German Technical Training Institute, which focuses on technology related to the automobile industry and other technical trades and which has strong links with industry. In Bangladesh, public private partnerships under Industry Skill Councils work through the management boards of all public training centres. In addition, private training providers that meet national quality standards established by the Bangladesh Technical Education Board receive domestic budgetary funds. In Pakistan, the National Vocational and Technical Training Commission is managed by the private sector and works with Sector Skills Councils.

Recommendations

Matching this experience to the Nepali context suggests that the following arrangements offer a way forward for private sector engagement.

Sector Skills Councils: Skills Councils are a tried-and-tested mechanism and, in a number of countries, have been established as independent, employer-led organisations. They aim to develop high quality skills standards in collaboration with employers. Industries and enterprises obviously need staff with the right kind of skills in order to be competitive, but there are frequent complaints in Nepal about the problems of finding well-trained and skilled staff. Education and training providers are aware of this, but find it difficult to get the information they need in order to adapt the training offered. Sector

Skills Councils provide a platform that unites sector stakeholders: organizations representing enterprises in the sector, individual enterprises, social partners, and education and training providers. They can have a broader role beyond TVET through inputs in defining sector policies and identifying bottlenecks to sector development, as well as defining skills needs and professional standards. Piloting skills councils in the more vibrant sectors, such as construction and hospitality, would provide preliminary experience, with later more broad-based roll-out.

Industry Advisory Boards and Groups: These are variant partners in Sector Skills Councils and operate across a range of sectors, working primarily with individual training schools or groups of schools.

Technical Committees: These are proposed under the TVET Fund in Nepal and would be formed in individual sectors or sub-sectors. A Technical Committee supports government and sector skills councils in providing technical details related to the specification of skills needs. Working through these committees, the private sector can influence decisions on skill standards and curriculum design and hence has a conduit into the detailed specification of training content. A majority of the members of the Technical Committees is envisaged to be business and industry owners and representatives from business associations.

Training institute management committees: These are committees at the level of an individual training institute or group of institutes. They plan and run the institutes within the framework of government policies and have both public and private sector representatives. This type of public private partnership is already in place in Nepal but merits further development, with the private sector given stronger voice. There is also room for improvement in terms of transparency and clarity of roles and responsibilities.

Apprenticeship: This is a flexible model with trainees spending two or three days-a-week at a training institute for classroom-based training, with the rest of the week working in industry. Success will demand

a partnership between technical schools, industry, and government. There is some track record with apprenticeship in Nepal, but it remains limited.

Workplace-based training: This is a variant factor for apprenticeship and would involve all training being delivered in the industry or enterprise.

In addition to the institutional arrangements for engagement, partnership between the government and the private sector in funding TVET is of obvious importance. The TVET Policy 2012 makes provision for a TVET fund, with co-financing from domestic sources and the development partners. It is currently envisaged that the TVET Fund management board would have representatives from the private sector, with fund management accordingly then a forum for private sector engagement and their voice.

In addition, there is scope for tax breaks and, perhaps, grants aimed at private sector provision of training in the more remote areas of Nepal. This could also be done through introducing funding formulae aiming at ensuring uniformity in the costs of training provision across the country. While not formally an arrangement for private sector engagement, this would nonetheless recognize the disincentives to TVET provision in remote areas and, through financial partnership between the government and the private sector, would work towards correcting the unequal geographical spread of TVET provisions.

Labour market forecasting in terms of skill needs also represents an area for closer engagement of the private sector. While the 2012 TVET policy highlights the need for skills needs forecasting system, this has yet to be installed. The education sector as a whole has a 'flash' reporting system which has been generally effective, but TVET lacks such a mechanism. A system was established in the Department of Labour, but it is not functioning properly. This is obviously an area where the private sector's input is likely to be substantial in ensuring that forecasts of needs are in line with likely skills gaps and changing demands for skills in the labour market in country and abroad.

June 2016

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