

# IMPACT AREAS OF VOCATIONAL SKILLS DEVELOPMENT (VSD) A PROJECT TYPOLOGY TOOL

## Purpose of this paper

Vocational skills development (VSD) is a cornerstone of Swiss development cooperation. This paper aims to help SDC operations to clearly **define the approach and orientation of their VSD interventions**, to select the right partners, and thus to manage their project (portfolio) in line with the relevant SDC strategies, the policy goals of partner countries, and professional standards. The paper also supports the formulation of realistic and plausible expectations predominantly regarding the outcomes and impact of VSD projects across time.

## VSD in Swiss Development Cooperation

In its *Dispatch 2017-2020*,<sup>1</sup> the Federal Council defines basic education and vocational skills development as a priority area for Swiss development cooperation, and it substantially increases the resources allocated to it. In 2017 SDC launched its *Education Strategy*,<sup>2</sup> comprising both basic education and vocational skills development (see Box 1). This strategy takes a development policy perspective. It elaborates at length on the intersections between basic education and VSD and to a lesser extent on their intersections with private sector development and employment. SDC's *Employment and Income Medium Term Orientation 2015-2019*<sup>3</sup> explains the social policy and economic policy rationale of VSD and its intersection with employment, Private Sector Development (PSD) and Financial Sector Development (FSD). Furthermore, the State Secretariat for Economic Affairs' position paper *Skills Development in Economic Development Cooperation*<sup>4</sup> guides SECO's increased engagement in this area.

### VSD CAN IMPACT ON THREE POLICY AREAS

VSD belongs to different policy areas as depicted in figure 1, namely **Education Policy, Social Policy and Economic Policy**. VSD thus contributes to the related Sustainable Development Goals, i.e. predominantly to SDG 1 (No Poverty), SDG 4 (Quality Education), SDG 10 (Reduced Inequalities) and SDG 8 (Decent Work and Economic Growth). Also, VSD serves different purposes (e.g. productivity and competitiveness, labour market integration, inclusion). Therefore, **the identification of the priority impact area is key to the success of SDC projects and their project components**.

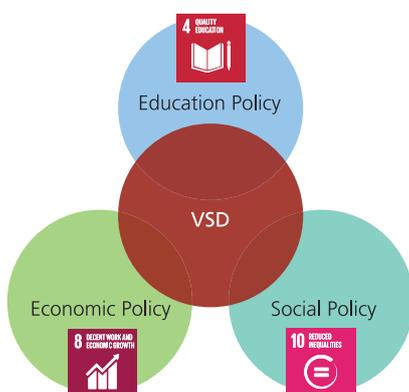


Figure 1: VSD and its policy dimensions

From a development policy perspective, vocational skills development is an instrument to promote social and economic development and to address problems such as youth unemployment, poverty and inequality. Vocational education and training (VET) and labour market policies can indeed be the missing pieces in the jigsaw of solving many problems. However, **VSD is neither a magic wand nor a silver bullet – it can only make targeted contributions in certain areas**. In the long run, the mitigation of social and development problems requires well-developed national Vocational Education and Training (VET) and Active Labour Market Policy (ALMP) systems, and also enough jobs to absorb the increasing number of young people entering these systems.

*National VET systems are never uniform. They are always a jigsaw puzzle of different approaches and sub-systems in different industries and economic sectors. The ability to manage such diversity is a specific strength of the Swiss VET system.*

## SDC's Education Strategy – Basic Education for all and expanded access to VSD

- SDC concentrates on children and youth
- SDC focuses on basic education (BE) and vocational skills development (VSD) and enhances the complementarity between the two.
- SDC aims at systemic change in education and labour markets, supports the performance and inclusiveness of national education systems and enhances their link to the labour market.
- SDC addresses education and protection needs of children and youth during emergencies and crises, and strengthens their resilience to violence and natural disaster.
- SDC promotes education as a means of social cohesion and conflict transformation, economic empowerment and resilience, as well as sustainable development in general.

SDC's education priorities are implemented along six strategic axes: (1) its global and regional agenda; (2) education system governance; (3) quality and relevance; (4) inclusion and equity; (5) sustainability, cohesion and resilience; and (6) transition to work.

## Project and portfolio typology tool

**In VSD there is no one-size-fits-all approach. Vocational skills development serves different purposes and pursues different, sometimes conflicting objectives.**

As such, a project with the purpose of supporting the development of a high-quality and sustainable national VET system in a partner country cannot focus on disadvantaged groups only. National VET systems have to be attractive to the majority of school leavers. Another project, however, focusing on short courses for the labour market integration of specific target groups (e.g. in a refugee camp), may not intend to significantly strengthen the overall VET system. Therefore, different types of VSD projects with different outcomes should find their place in the VSD portfolio of SDC, according to the context and the specific challenges to be addressed.

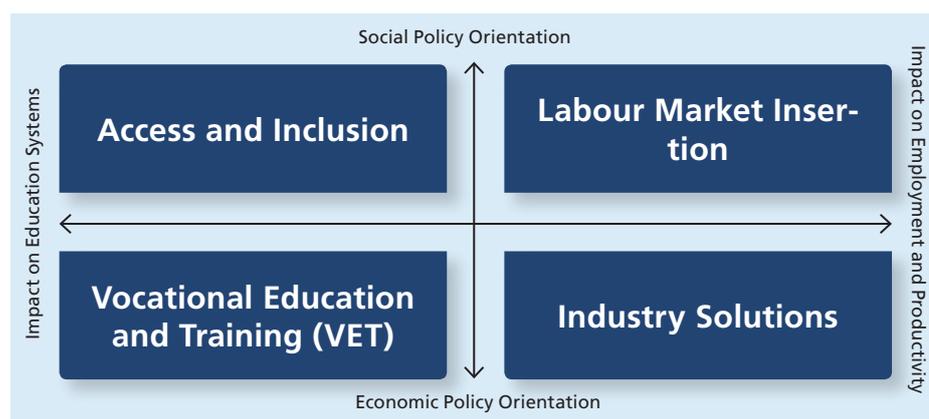


Figure 2: VSD project and portfolio typology tool

The **project and portfolio typology tool** (see Figure 2) shows a two-dimensional co-ordinate system structuring the landscape of possible VSD interventions, supporting the identification of project types.

### THE POLICY ORIENTATION OF AN INTERVENTION (VERTICAL AXIS)

*In the long run, VSD must serve both social **and** economic objectives, but individual projects or project components are designed to pursue **either** more social **or** more economic objectives.*

- › **Social policy objectives** respond to the social demand of young school-leavers, pursue the labour market integration of the unemployed, or facilitate the access and inclusion of any group with specific barriers hindering their participation in educational programmes at any qualification level. The combination of basic education with VSD is particularly relevant in SDC's support to catch-up education and labour market integration for early school-leavers and disadvantaged groups.
- › **Economic policy objectives** respond to the existing labour market demand, and build the quality, productivity, competitiveness and innovation capacity of the national economy, of industries, and of individual companies. At a national level, economic objectives include the qualification of the workforce as a contribution to attracting investment. Quality basic education also constitutes an important basis for the performance of VET systems. At the level of individuals, economic objectives include qualification for high-quality jobs and career paths.

### THE INTENDED IMPACT OF AN INTERVENTION (HORIZONTAL AXIS)

Projects and policy interventions adopt different approaches:

- › Either they are designed primarily to achieve an **immediate and measurable impact on high unemployment employment or productivity**, responding to skills shortages in companies, economic sectors or labour markets (Quick Wins);
- › Or they contribute primarily to the development of **sustainable national educational capacities and (inclusive) VET systems**.

## THE PROJECT INTERVENTION TYPOLOGY – THE FOUR QUADRANTS OF THE MATRIX

The positioning of a project (or project component) in one of the four quadrants helps to clarify the approach and orientation of VSD interventions. It supports the selection of the right instruments, target groups and partners as well as the formulation of corresponding outcomes.

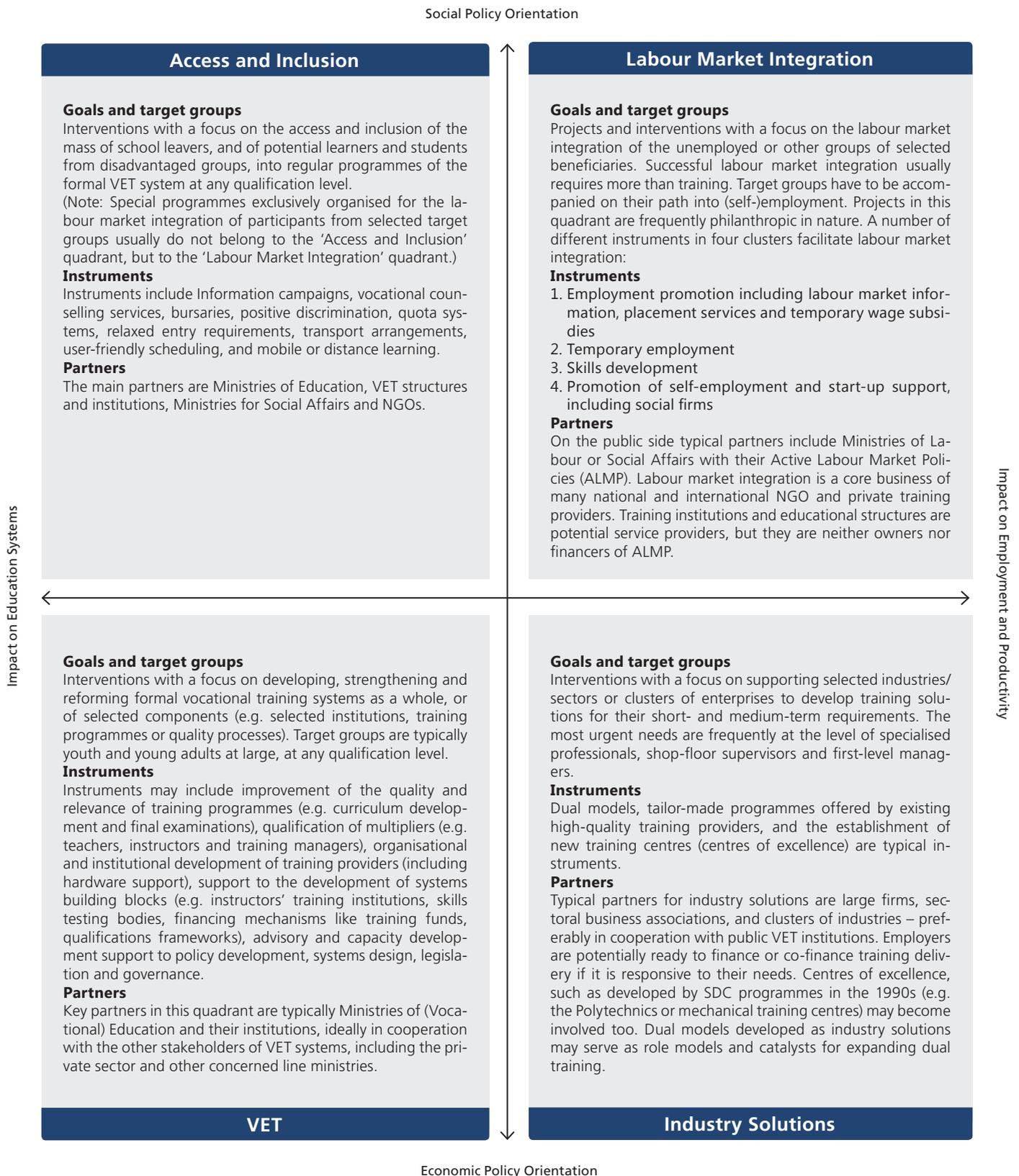


Figure 3: Project intervention typology : The four quadrants, their goals and target groups, instruments and partners

## PRIVATE SECTOR INVOLVEMENT

VSD needs private sector involvement. Depending on the local situation and on the stage of development of the VET and Active Labour Market Policy systems, the private sector can play various roles as listed below and depicted in Figure 4.

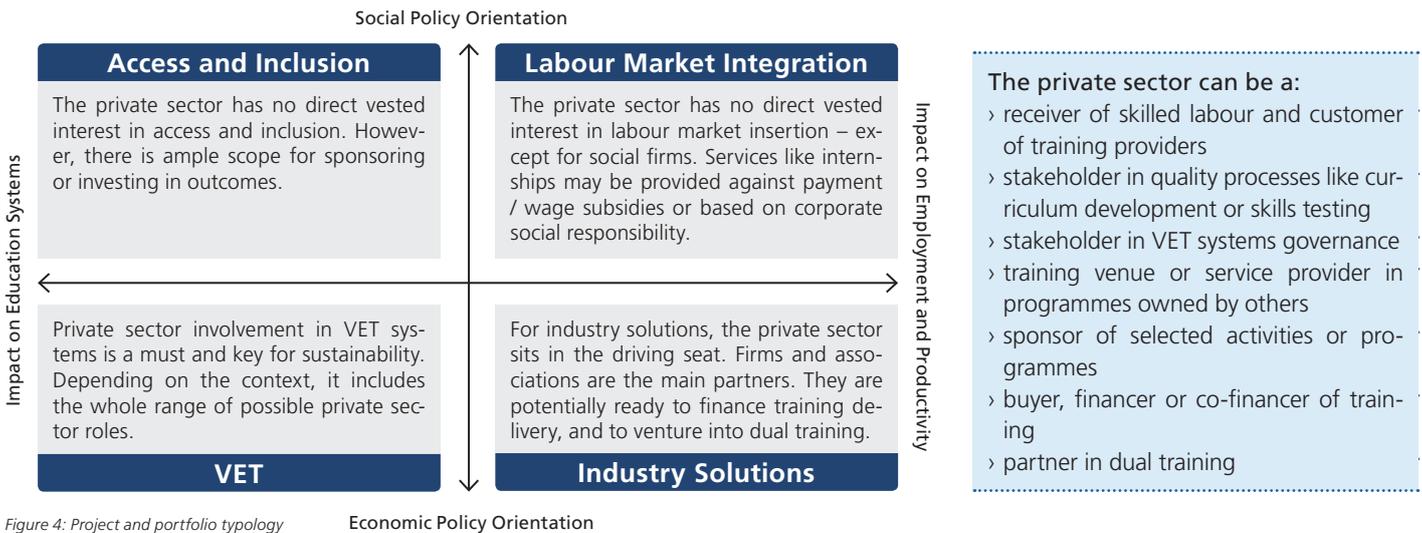


Figure 4: Project and portfolio typology tool: Role of the private sector

Financial incentives for private sector participation are a specific and delicate issue. Whereas services provided by private companies as part of labour market integration may have to be compensated, payments to private companies in dual approaches within the formal VET system may be counterproductive and undermine sustainability. In VET systems, financial incentives for private sector participation should, if they exist at all, never take the form of direct payments, but be given through institutional arrangements (e.g. tax relaxations or levy-grant systems).

## SWISSNESS AND SWISS EXPERTISE

Switzerland, with its well-developed VET, Active Labour Market Policies (ALMP) and Vocational Information, Guidance and Counselling systems, and its extensive experience as a donor in VSD, has the potential to play a leading role in the promotion of skills development. Figure 5 illustrates the strengths of Switzerland's systems and instruments and of potential Swiss partners (the list is not exhaustive).

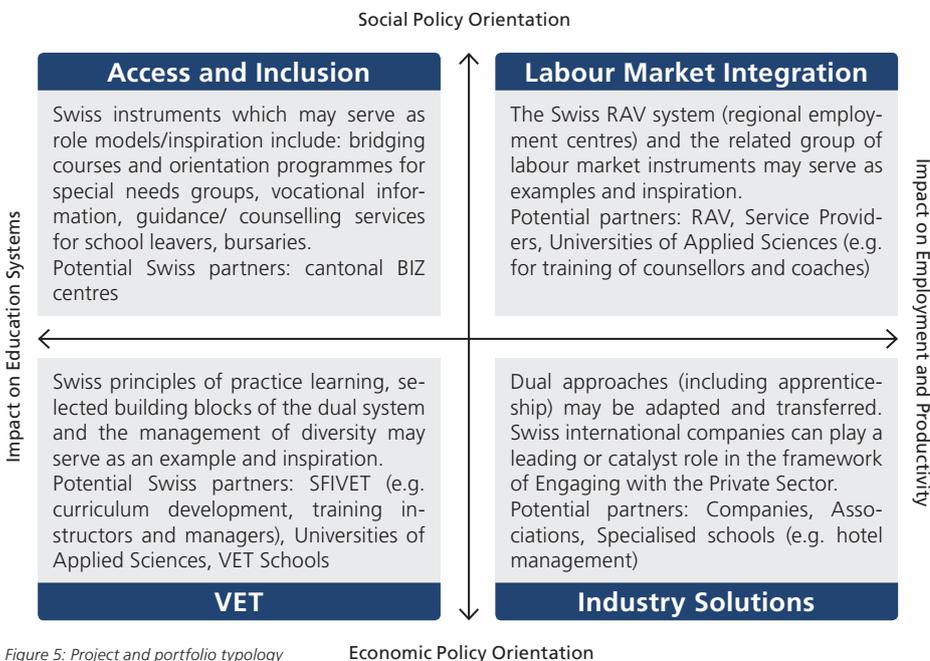


Figure 5: Project and portfolio typology tool: Swissness

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2 <https://www.shareweb.ch/site/EI/Pages/VSD/Key%20Documents.aspx> or direct link

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4 <https://www.seco-cooperation.admin.ch/secocoop/en/home/documentation/publications/technical-brochures/entwicklung-von-fachkompetenzen.html>