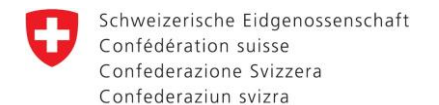


DC dVET Brief:

Cost-benefit analyses for companies engaging in dual VET

DC dVET Event 10 November 2021

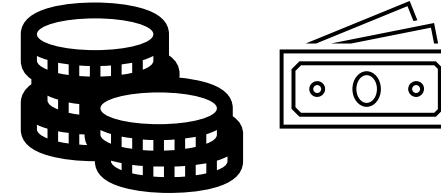
Katharina Jaik, PhD, DC dVET Secretariat



Swiss Agency for Development
and Cooperation SDC

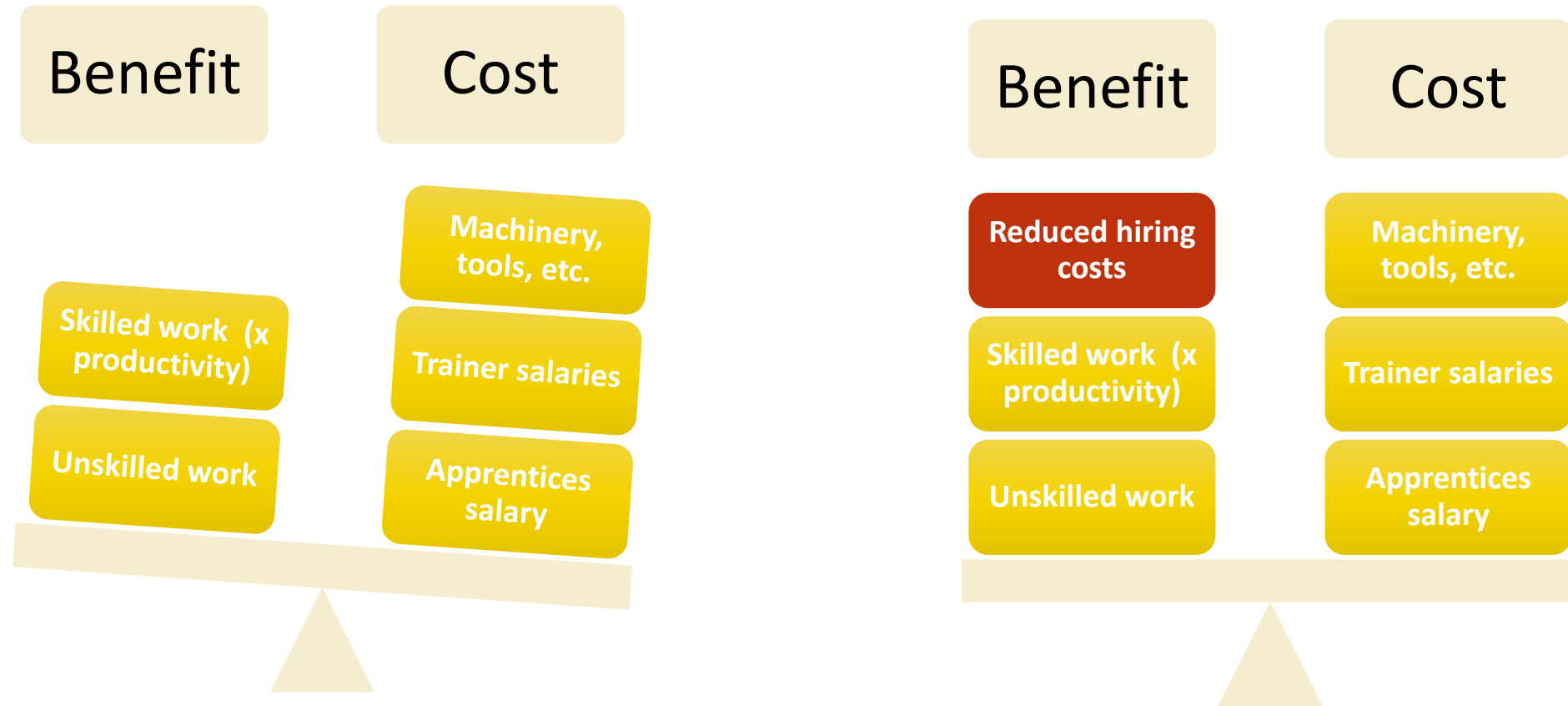
Cost-Benefit Analyses – Why?

- **Speak “business language” to convince companies**



- **Visibility** of costs and particularly benefits (i.e. productive contribution of apprentices)
 - Helps companies to better understand costs and benefits connected to dual VET in the short and long run
 - Comparison to recruitment of skilled workers from the external market
 - Especially important in times of crisis
- **Create basis for evidence-based decision making**

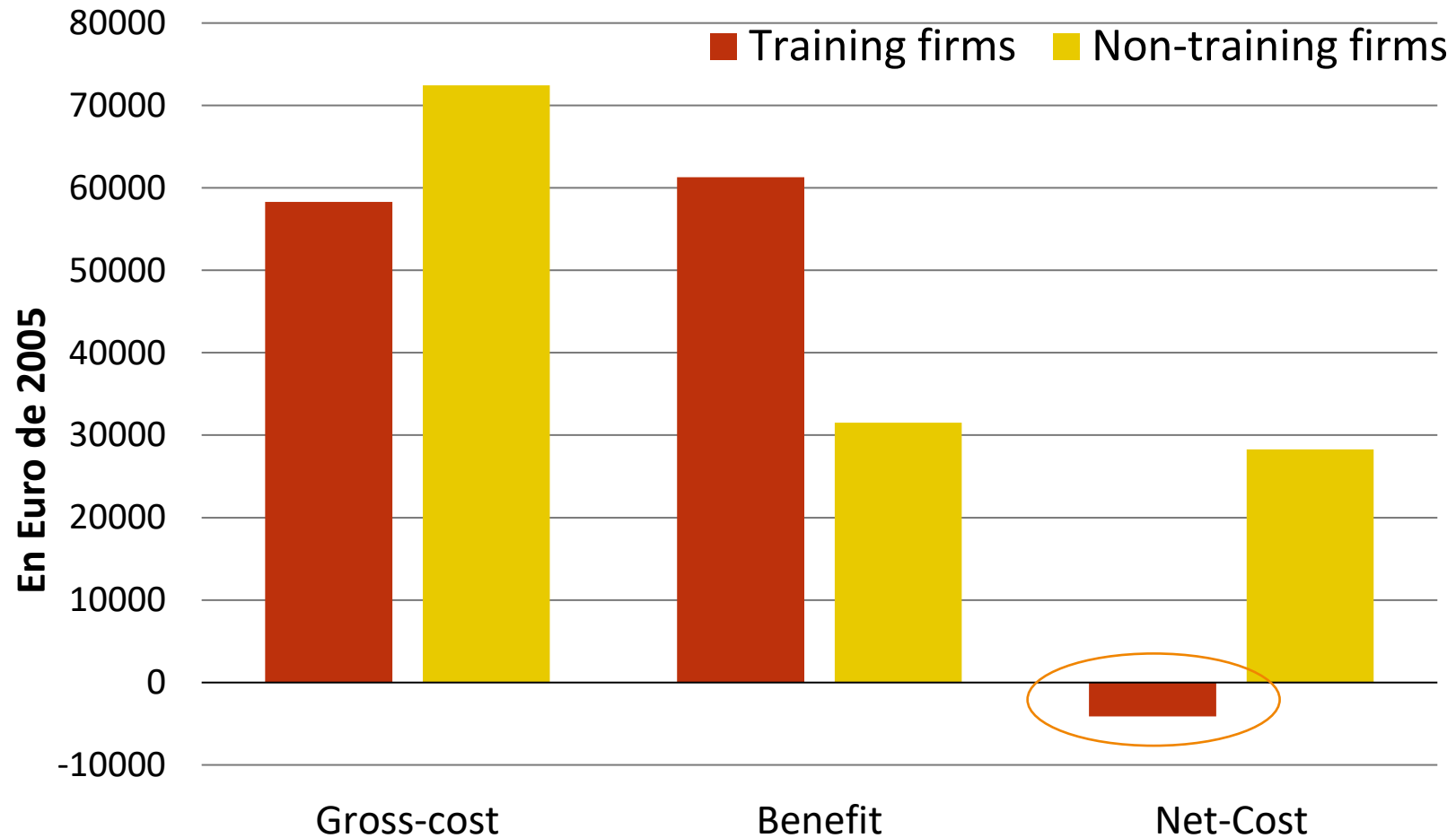
The Intuitive Model Behind the Studies



Source: https://www.dcdualvet.org/wp-content/uploads/DC-dVET-Webinar_Cost-Benefit-Analyses_StWolter.pdf

Evidence from Switzerland (I)

Net costs of training and non-training companies in Switzerland

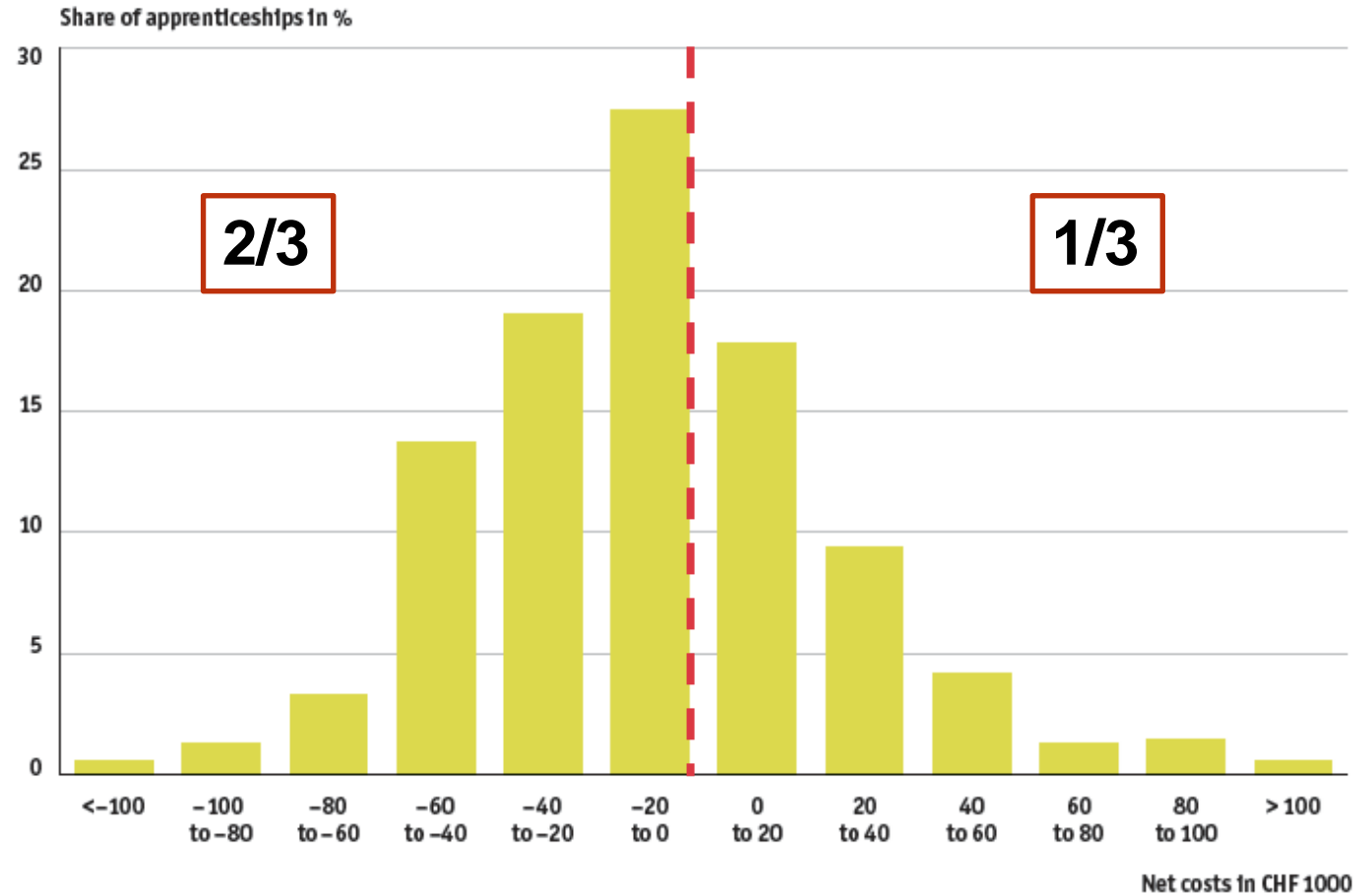


Evidence from Switzerland (II)

On average, a training company in Switzerland makes a net benefit.

BUT: We need to look at the distribution of companies to understand the whole picture.

Distribution of net costs in apprenticeship training, 2004



Source: Mühlemann, Wolter

Types of Cost-Benefit Studies, Related Requirements & Examples

Evaluation Studies

e.g.
Mexico,
Chile

Using the methodology used in Germany and Switzerland

- Provides a precise picture of actual costs and benefits of existing programs
- Requires extensive questionnaires for companies

Using other / adapted methodologies

- Often less detailed questionnaires but also less precise / inaccurate results (risk of misleading / wrong conclusions)

Simulation Studies

e.g. Spain,
UK, Italy

- Short(er) questionnaire for companies on hiring costs
- Mixture of data from local context (hiring costs survey, wage data, etc.) and assumptions from systems with dual VET (e.g. productivity of apprentices)
- Why should we simulate?
- **Other Option: Projection** (project started but no graduates yet)

e.g.
Nepal

DC dVET Resources on the topic

- Webinar Recording (available upon request)
- Webinar Presentation (Slides)
- Questions & Answers from the Webinar
- Literature List
- **NEW:** Focus Topic in most recent thematic Newsletter
 - Overview document on methods, requirements, steps and alternatives
 - Key learnings from 20 years of research
- Some material (presentations) available in Spanish
- Thematic expertise within DC dVET team

(K. Jaik involved in simulation study in Spain, in preparation of an evaluation study in the Dominican Republic and preparation and implementation in Mexico, accompanying process in Indonesia).

Thank you for your attention!

Any questions now....?



...or later? Please do not hesitate to contact me anytime:

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Reasons for Simulation Studies

- **Heterogeneity** of models currently in use in a country is too big to be generalized (external validity).
- **Companies** engaged today are not **representative** for the ones that one would like to attract into dual apprenticeship training (external validity).
- **Data base** that one could extract from training companies is too thin to draw general conclusions (internal validity).
- **Current training models** may not be the ones that promise success in the future.
- **Pre-Condition:** Willingness of key system actors to change the system.