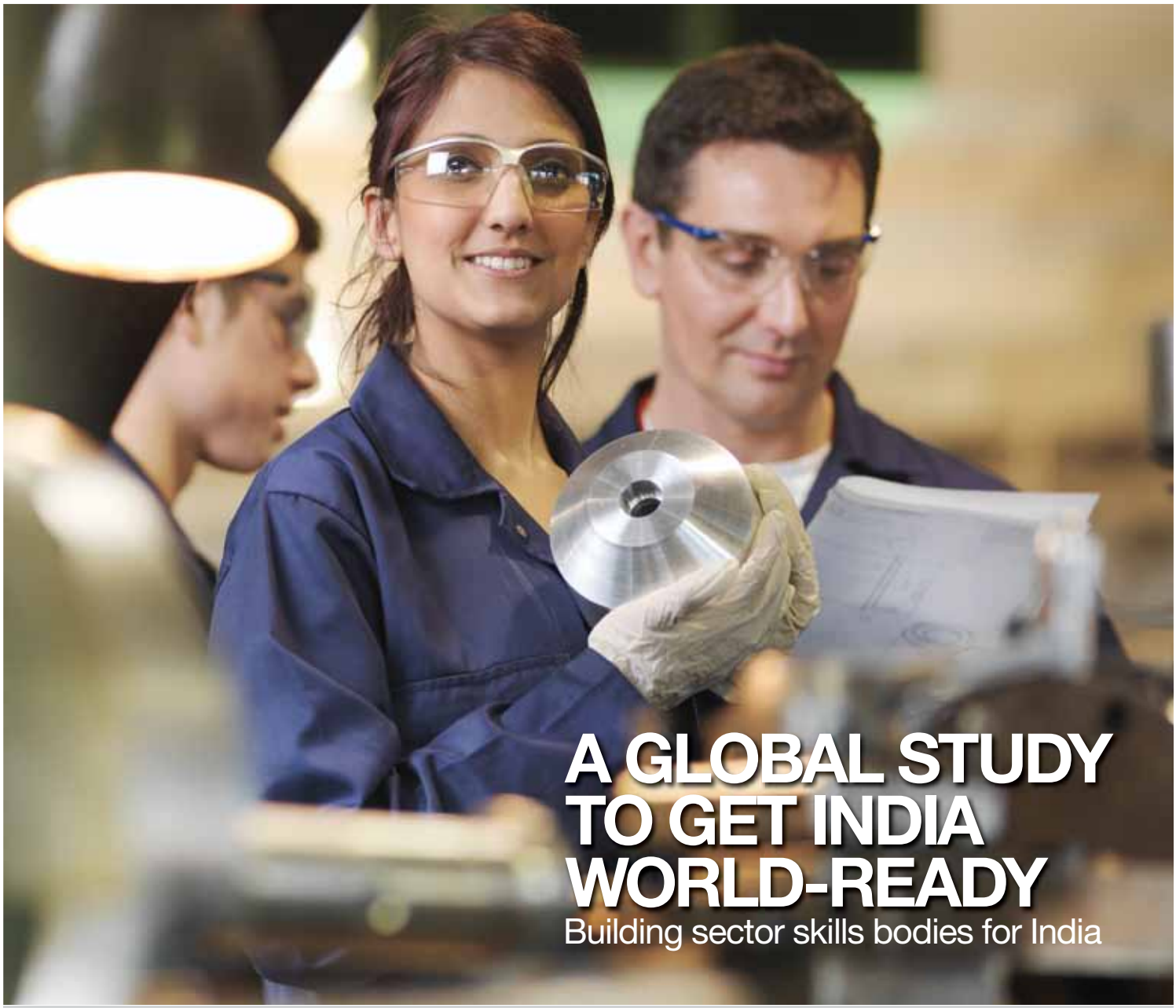

A GLOBAL STUDY TO GET INDIA WORLD-READY

Building sector skills bodies for India

FINAL REPORT: RESEARCH & RECOMMENDATIONS

Manipal® City & Guilds

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About Manipal City & Guilds

This report was commissioned and published by the Joint Policy Advisory Group of Manipal City & Guilds.

Manipal City & Guilds is a UK-India joint venture bringing together one of India's leading players in the education sector and the UK's largest and oldest vocational awarding body.

In 2009, the joint venture launched IndiaSkills to offer world class solutions that meet the specific needs of skills development in India. IndiaSkills has since developed capability in occupational role analysis, structured curriculum, content and assessment development in a range of sectors by absorbing processes and prior knowledge from City & Guilds and recreating these for India, and also delivers training through its own centres and in-house to corporate and government clients.

Following close contacts with policy makers, Manipal City & Guilds decided to invest in a new strategic initiative to become a more effective knowledge partner as well as a delivery agent for India. As a result, the Delhi-based Joint Policy Advisory Group (JPAG) was established in 2011, bringing together expertise from Manipal and from City & Guilds to provide an objective, evidence-based voice on policy issues in the skills space in India. This report is JPAG's inaugural publication.

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Foreword

India today stands at a decisive moment in her history. Poised to become an economic superpower, enjoying a spectacular rate of growth and blessed with a huge, young and dynamic population, the future has never been more promising for the country, nor the present so exciting.

But the challenges facing India remain formidable. Much has been made of the country's "demographic dividend": her burgeoning working-age population at a time when most advanced economies - and several emerging ones - are facing just the opposite. While this is indeed a tremendous advantage, it is not a window that will remain open forever.

If India is to take advantage of this immense opportunity, there are two vital goals she must achieve. She must ensure that the Indian workforce of tomorrow can not only participate in the economy, but that they do so in ways that drive higher growth, productivity and innovation - in other words, in ways that support India's ongoing transition to a modern advanced economy. At the same time, the people of India deserve to have every opportunity to achieve their dreams: not just to be able to work, but to be able to forge satisfying and rewarding careers. If such opportunities are open to everyone, then India will truly have reaped the rewards of the demographic dividend.

Skills are the key factor in ensuring that this happens. Skills training empowers individuals by enabling them to fulfil their ambitions, and has the potential to lift millions out of poverty through access to better-paid employment. And as Indian employers compete internationally, they need a skilled workforce at every level. Not just the top technology graduates India has already shown herself adept at producing, but throughout the economy: from already huge sectors like IT and auto to rapidly emerging ones like hospitality, healthcare and beauty. Already, throughout the country, employers in these and other sectors are crying out for skilled labour: the challenge for the country is to respond.

As this report makes clear, responding to this call means listening to employers and getting a clear picture of what they need in each and every sector. Listening to employers, ensuring that training reflects their requirements, and maintaining the highest quality is a challenging set of tasks even for small countries. For a nation of India's size and complexity, the task may seem overwhelming. But the imperative is clear: a system of sectoral bodies to understand skills needs and drive skills development can, if designed well, be a key foundation of India's future economic and social prosperity.

At Manipal City & Guilds, we don't believe that "borrowing" policies wholesale from overseas can be effective in India's case. India needs to find her own solutions to the skills challenge and her own form of institutional mechanism to drive sectoral skills development. But since many countries have introduced such mechanisms, and since evidence exists as to their successes, failures, strengths and weaknesses, we believe that India can usefully examine these experiences in order to apply them to her own situation. The issues - and the scale - are different, but the principles behind sectoral bodies: the employer voice, quality provision, matching supply and demand - are the same. But to properly understand the issues, it's necessary to look further than just one country's experience and take a truly evidence-based approach.

This report draws on the experiences of six countries, examining their sectoral skills system in detail before applying the lessons drawn to the very specific challenges facing India. By making specific, evidence-based recommendations, it aims to be a useful tool to Indian policy makers as they tackle the crucial questions that will shape the country in the 21st century. Many of these recommendations are reflected in the approach already being pursued in India, while others offer alternative points for consideration. Manipal City & Guilds is proud to be an active contributor to developing India's future skilled workforce, and I hope this report will make a real contribution towards shaping that future and bringing about the prosperous, highly skilled country India can be.

Chris Sims
Director India
City & Guilds

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I. Executive Summary

With its unique demography and its desire for positive growth and change, India is experiencing an unparalleled need for skills development. The establishment of its ambitious target of skilling 500 million people by 2022 also affords unique challenges in terms of not only improving its current training capacity, but also increasing it significantly. India also has the challenge of a largely informal workforce: just 8% of its labour is in the formal sector.

The opportunities inherent in India's development have been apparent for some time; international aid agencies, NGOs and training providers have long sought to lend their assistance and, in some cases, their own systems of vocational education. While there is much to learn from international experience, however, it cannot provide a solution due to the simple fact that India is singular in terms of structure, culture, ways of working and, most importantly, scale.

The rise of Indian initiatives and plans for growth indicates that India is increasingly creating solutions for itself; among these initiatives are the formation of the National Skill Development Corporation, the development of the National Vocational Qualifications Framework, and the implementation of Sector Skills Councils. Each of these important developments are being led by Indians, for India.

This report has taken the current state of play in Indian vocational education and training in all areas – policy, funding, qualifications, quality assessment, sector and industry involvement – as a baseline. Due to the rapid growth of the Indian skills landscape and the number of agencies involved, gaining a clear and coherent picture is challenging. One of the major recommendations of this report is the development of a single portal containing information on all relevant initiatives, updates and changes in the skills landscape.

The focus of this report, however, is on the development of sector bodies (Sector Skills Councils) in India. Their development is underway; indeed, at least one has already been established. The gap in analysis, however, is not whether sector bodies are needed in India and which model should be adopted. Rather, it is the lessons that can be learned from international experience and the ways in which they relate specifically to the Indian market.

This report contains an international literature review, which examines the establishment of Sector Bodies internationally; the findings from this are presented as a set of Key Performance Indicators. It also contains an Indian literature review, examining the research to date on the establishment of Sector Bodies in India; the findings from this are presented as a list of opportunities and risks.

Finally, a series of reports has been incorporated on countries with sector body systems in various stages of development, and with varying degrees of success. The countries analysed are Australia, Canada, England, New Zealand, South Africa and the Netherlands. Each country has had its sector body system analysed in terms of structure, organisation, funding and quality assurance; as an appendix, each vocational education system is explained. The findings of each country report culminate in a list of recommendations for India on what can be learned from each system: the challenges and the opportunities.

I. Executive Summary

The findings highlight the following key themes in terms of challenges and opportunities for India:

- India is in a unique position to learn lessons from international experience and avoid some of the challenges inherent in establishing a national sector body system. By building a sector body system from the ground up, Indian industry and policy makers can ensure that their system is comprehensive, well planned, and responsive to the needs of all stakeholders concerned.
- The scale of India is beyond any country included in this report; indeed, only China provides a comparison in terms of size and population. Bureaucracy has proven to be a significant issue in many national vocational systems; it is no different in India with its necessary multitude of actors. Indian officials need to strike a careful balance between the necessary consultation of all relevant stakeholders and the need for swift response and decisive action.
- The establishment of key elements of a vocational framework – quality assurance and qualifications frameworks in particular – is often challenging in terms of establishing ownership and effective governance. The scale of the Indian system, and the sheer volume of government departments involved, means that this is a significant issue that warrants especial attention.
- The number of initiatives and projects surrounding skills development in India is beyond that in any other country; the number of reporting lines for each agency and actor is equally high. An element of the Indian system that may require some attention is cohesive reporting and organisational transparency. The ability to access key information on skills initiatives, and the availability of reliable information on vocational education and training in India, will enable agencies and stakeholders to make more informed decisions.

In terms of recommendations relating to the establishment of sector bodies in India, the findings include:

- The creation of a deep, vertical structure of sector bodies to enable the consistent, quality-controlled transmission of information and funds at federal, state and local levels. Horizontal cross-sector lines of communication will ensure good practice and clarity between sectors.
- Shared governance between government, industry and practitioners; this tripartite model works very well in the New Zealand system and allows for industry needs to be directly accommodated by training providers; federal priorities can also be immediately effected in the system.
- Responsibility for producing regular Industry Skills Reports which indicate the current skills requirement and recommendations for industry, policymakers and practitioners.
- Responsibility for producing National Occupational Standards in conjunction with industry; also assisting industry and practitioners to develop qualifications for submission for quality assurance and registration on the National Vocational Qualifications Framework by the relevant national agency.
- Recruiting employers for work placements and workplace training; providing quality assurance and auditing for those employers.
- Collecting and distributing an employer training charge, which is levied on a sectoral needs-only basis.
- Channelling federal and state training funds for work placements and workplace training.

These recommendations may serve to highlight key issues and opportunities in the Indian vocational landscape; they cannot be comprehensive, however, given the complexities of the system. Some further issues for consideration have been identified for policy makers and industry, including the issue of achieving the necessary scale for maximum impact, skilling the unorganised sector and ensuring sufficient teaching resources.

International Literature Review

2. International Literature Review

2.1 Introduction

The role of sector bodies is to foster skills development and workforce development within different industry sectors; a more recent concern in some sectoral systems has been economic development (Sung, Raddon and Ashton, 2006). They are known as Sector Skills Councils in the United Kingdom, Knowledge Centres[1] in the Netherlands, Industry Skills Councils in Australia, Sector Education and Training Authorities in South Africa, Industry Training Organisations in New Zealand and Sector Councils in Canada.

Raddon and Sung (2006) identify three main reasons for the establishment of sector bodies. The first is a policy landscape in which government, employers and individuals share responsibility for investment in training, and sector bodies are established to articulate the needs of employers and, to a lesser extent, the needs of workers and the state. The second impetus lies in the failure of vocational education and training to meet the needs of employers in the face of shrinking labour markets and growing international competition. Finally, industrialised economies may introduce sector bodies to help drive growth through general skills development, a move towards higher level skills and the performance of higher value-added activities; this is in response to increasing competition from developing countries in the delivery of low cost, low skilled products and services.

2.2 Role

Sector bodies work to modernise vocational education and training systems by bringing together industry representatives with other stakeholders, *'formally bridging the gap between education provision, vocational training and the labour market'* (International Network of Sector Skills Organisations/ Bewick and Abbott, 2010:4). Sector bodies can be *'national consensus-based partnerships between business, labour and education stakeholders in economic sectors, that identify and address human resource and skills issues in a collective, collaborative and sustained manner'*[2] (Canada); have responsibility for setting national skills standards, providing information and advice, arranging for the delivery of training and the assessment of trainees and quality assurance[3] (New Zealand); can develop and implement sector skills plans, register and promote learnerships (a form of apprenticeship), and oversee the development of relevant qualifications[4] (South Africa); and *'create the conditions for increased employer investment in skills which will drive enterprise and create jobs and sustained economic growth'*[5] (United Kingdom).

The exact role of sector bodies varies by country, and in many cases by the individual body. The table below outlines some of the main activities of different countries' sector bodies[6] . Where the sector bodies themselves do not perform a particular role, they are often supported by other agencies; in the Netherlands, for example, the Advisory Body for Education and the Labour Market works with the Knowledge Centres to ensure that the training and qualifications they propose meets labour market needs and policy goals (Sung, 2010).

1 Also known as *Kenniscentra* or Centres of Expertise.
2 http://www.hrsdc.gc.ca/eng/workplaceskills/sector_councils/faq.shtml
3 http://www.nzqa.govt.nz/for-business/ito.do
4 http://www.saqa.org.za/docs/brochures/nqf_setas.pdf
5 http://www.ukces.org.uk/ourwork/sector-skills-councils
6 While some bodies may undertake certain activities which are not highlighted in the table, the table articulates the main activities and remit according to the sector bodies themselves, or their oversight body, in each country; it does not cover every activity of every sector body (for example, most sector bodies have some level of strategic input into policy dialogues, but this is only an explicit role in certain countries).

2. International Literature Review

Table 2.2 Principal Sector Body Activities by Country[7]

Activity	AU	CA	NL	NZ	SA	UK
Research						
Gathering labour market information (LMI)	■	■			■	■
Identification of skills gaps	■	■	■	■	■	■
Skills forecasting	■				■	■
Surveys	■					■
Guidance						
Development of occupational/competency standards	■	■	■	■		■
Development of qualifications	■		■	■	■	■
Curriculum development		■	■		■	■
Communication of careers and training advice to learners			■	■		
Training advice to employers	■		■	■		■
Strategic advice to Government	■		■	■	■	■
Strategic advice to industry	■			■		■
Accreditation, Certification and Administration						
Accreditation of qualifications and competency standards		■			■	
Award of qualifications and competency standards					■	
Accreditation of training providers/employers offering training		■	■	■	■	■
Designation of training places (numbers; area)	■		■			
Arranging training for employers	■			■		■
Funding						
Direct funding of training			■	■	■	

AU: Australia; CA: Canada; NL: The Netherlands; NZ: New Zealand; SA: South Africa; UK: United Kingdom[8].

Cultural and historical factors affect international perceptions of the role of sector bodies. In Australia and China, for example, sector bodies are concerned with protecting the rights of their members, but this role in China is influenced by their remit of undertaking Government-prescribed activities (Misko, Yufeng, Dayuan, Quanquaan and Zerong, 2005). In Canada, skills policy within Sector Councils is viewed within the broad context of work and community (Watt and Gagnon, 2005), which means that their remit may be less narrowly defined than elsewhere.

Sector bodies' role in collating and disseminating labour market information may be an area which sees less activity in future years; technology is changing the way in which data is collected and manipulated, and allows – in some countries – for central management of the system. In the United States, for example, the successful Occupational Information Network or O*NET uses live databases of vacancies and jobseekers, together with their skills profile, to develop labour market information which can be analysed nationally, regionally, locally or sectorally (Sung *et al, op cit*). Sector bodies can then tailor this national information and refine it according to their own sectors, which avoids duplication and wastage, and encourages comparability (ibid).

In certain areas, the activities of sector bodies can cross over into the areas of other organisations, leaving them open to criticism. In Australia, for example, interested parties have argued that Industry Skills Councils' production of training and assessment materials competes directly with the materials of publishers and training providers, which they have argued is inappropriate for publicly funded organisations. This has led the Education, Employment and Workplace Relations References Committee to recommend that the Industry Skills Councils' work in qualifications oversight and strategy receives primary focus, and *'that this work remain separated from the work of [Registered Training Organisations] in product development and training strategy'* (Education, Employment and Workplace Relations References Committee, 2011:23).

Of the varied roles and remits of sector bodies, Canada stands out as one of the few to highlight the function of acting as a bridge between companies in the same sector to *'help co-ordinate a collaborative and collective skills strategy'* (Watt and Gagnon, 2005:21). Given the wealth of literature suggesting that collaborative sectoral working linked to employer networks is an important driver behind both innovation and the incidence of employee training (see, for example, Erickson and Jacoby, 2003), perhaps this is an ambition to which more countries with sectoral approaches should ascribe.

7 These countries have been selected for the table to correspond to the country reports which accompany this literature review; the literature review does, however, encompass reports and publications from a wider range of countries.

8 Sector Skills Councils work across all nations in the UK, including England.

2. International Literature Review

2.3 Models

Raddon and Sung *(op cit)* identified four sectoral models of employer engagement:

1. The *'employer-involved'* model, which has two versions. In the first, policy makers engage employers voluntarily in sectoral skills debates. This occurs mainly via consultation. In the second, legislation places a statutory demand on employers to help finance training in their sectors, supplemented by voluntary consultation.
2. The *'employer-owned'* model, in which employers identify skills needs through employer associations and representative groups, and fund relevant training.
3. The *'employer-modelled'* model, which involves *'best practice models of skills development used to shape training within the sector'*; in other words, employers learn from their peers.
4. The *'employer-driven'* model, which has two versions. In the first, the public vocational education and training system is run according to articulated employer demand. In the second, employers participate in private partnerships to identify skills needs and to fund training.

Appropriate models for different countries depend very much on national policy aims. Where the focus is solely on developing the skills needed by different sectors, for example, an employer-owned approach may be the most appropriate option. Hong Kong's Industry Training Associations, which are employer-owned and funded by a statutory levy, have proved successful in meeting sectoral demands, but less so in meeting national policy aims. As Raddon and Sung (2006:16) point out, *'there is little government intervention in the work of the [Industry Training Associations], and since they are employer-owned and financed, little incentive to focus on delivering national skills policies'*. Such policies might include basic skills training or training under-represented groups.

The balance between the levels of involvement of different stakeholders also plays a fundamental role in determining the operating models, activities and outcomes of sector bodies. These stakeholders can include policy makers, worker representatives in the form of unions and community groups, businesses and enterprises of varying sizes, industry associations and training providers. Cultural beliefs ascribed to skills development can have a significant impact on the selected model; in France, for example, policy aims to encourage employers to train more (resulting in a levy system), and in Australia the supply of skills is seen as the main policy

Table 3.1 Countries According to Models of Employer Engagement (adapted from Raddon and Sung, ibid)

<table>
<tr><th>Employer-Involved Model</th><th>Employer-Modelled Model</th></tr>
<tr><td>Voluntary
• Australia
• Canada
• New Zealand
• United Kingdom</td><td rowspan="2">Singapore</td></tr>
<tr><td>Statutory
• France
• Quebec, Canada
• South Africa</td></tr>
<tr><th>Employer-Owned Model</th><th>Employer-Driven Model</th></tr>
<tr><td rowspan="2">• No nationwide examples.
• Hong Kong's Industry Training Associations represent a sector-based example.</td><td>Employer-Driven Public VET
• The Netherlands</td></tr>
<tr><td>Employer-Driven Partnership VET
• The USA</td></tr>
</table>

2. International Literature Review

challenge – and so employers are consulted in order to improve supply (O'Leary and Oakley, 2008).

Ashton (2006) used international comparisons to identify six elements which he believes constitute an effective sector skills approach:

1. Employers identify skills needs and design relevant competencies.
2. Employees are engaged in the system and in identifying skills needs, which secures legitimacy among workers.
3. Financial incentives are widely used.
4. Public funding is used as a lever to ensure that long-term policy objectives are considered by sector bodies.
5. (A portion of) public training funds are channelled through sector bodies.
6. Differences in approach, systems and priorities between local/state and national/federal government are recognised, and steps are taken to manage these differences.

Ashton adds a number of recommended government actions to ensure that sectoral skills systems respond to employer needs and contribute to effective skills development. Firstly, different parts of the system – such as qualifications frameworks or quality assurance mechanisms – should be aligned to the same objectives. Secondly, it should be driven by employers and have the support of employees (Section 2.6 below on Employer Engagement demonstrates the challenges innate in this recommendation). Ashton suggests that selectiveness can be applied to sector bodies; they are not necessarily required in all sectors, and some – such as sectors in which high levels of growth are forecast – should receive higher priority. Clarity of function is a further recommendation: should sector bodies steer employers or focus on meeting training needs? Labour market information and research needs to be shared and co-ordinated between the different sectors to ensure consistency and effective policy alignment. Finally, the performance of sector bodies must be monitored effectively, both in terms of clear measurement and minimising the burden of bureaucracy: *'an overly bureaucratic and complex system that attempts to monitor both activities and outcomes, as in Canada, can lead to a diversion of staff activities and be counterproductive'* (Ashton, 2006:12).

2.4 Structure and Governance

2.4.1 Approaches

The structure of sector bodies depends, to a certain extent, on the reasons behind their inception and the parties who are driving them. The most popular strategy, ironically, tends to be led by governments who want to introduce a demand-led or employer-driven focus into the education and training system.

International Highlights

- Although Canada's Sector Councils are notionally national, their actions are, in practice, implemented at a state level (Cully, Knight, Loveder, Mazzachi, Priest and Halliday-Wynes, 2009).
- Curricula are set at a national level in the Netherlands according to national sectoral needs, but regional vocational colleges are able to adapt up to 20% of an individual curriculum according to local or regional employer needs; despite the small size of the country, local labour markets vary dramatically (Sung, *op cit*).
- Germany does not have a system of sector bodies as they are understood in this paper, but *'competent'* bodies – which include crafts chambers and professional boards – are charged with monitoring training content and delivery at a regional level. Their role includes registering trainees, certifying trainers and holding examinations. Each body has a vocational committee with employer, trade union and teacher representatives. The remit and strength of these bodies means that employers have a significant influence on the skills development system (Cully *et al, op cit*).
- South African SETAs are unique in catering to all employees within a single company, from support services to production staff to management. SETAs therefore have a cross-sectoral element and often have to engage in partnership working with other SETAs (Sung *et al, op cit*).

Watt and Gagnon *(op cit)* identify three other types of sector-based skills development strategies:

- Consortium-based strategies. The ICT Skills Consortium, for example, was an EU-wide initiative led by seven major ICT firms. It aimed to identify relevant skills and competencies and communicate them to learners, training providers and policy makers; build these into generic job profiles; and use a website to match skills supply with the demand from employers.
- SME-based strategies. In Spain, an association of 150 small companies in mould and dye-making formed a Technology Centre which provides a range of training courses, in addition to other services, to improve members' competitiveness.

2. International Literature Review

- Cluster-based strategies. Ireland promotes and co-funds SME networks, usually operating in clusters, which design and implement their own training (Stone and Braidford, 2008).

2.4.2 Macro Structure

National sector bodies are the principal focus of this paper. As suggested in Section 2.3, the structure of sector bodies needs to align with other elements of the vocational education and training system in order to work effectively. These elements include funding and who distributes it (employers are more likely to engage if sector bodies distribute it themselves), financial incentives for employers and learners, skills delivery, union and/or employee support for sector bodies and other policy objectives (Ashton, *op cit*).

One of the key challenges facing the macro structure of sector bodies is the extent to which cross-over between sectors occurs, and resulting issues with potential duplication or power struggles over which body owns certain industry standards (Sung *et al, op cit*). Leadership and management, for example, are cross-sectoral. This has led Sung et al (ibid) to suggest that there may be more horizontal sector bodies (e.g. for professionals who use software as part of their sector-specific jobs) in the future, and an accompanying decline in the number of vertical sector bodies. Their analysis does not say how this would affect employers who might need to work with multiple sector bodies, nor the possible impact on the sector bodies themselves who – if their area of focus were particularly generic – might need to align themselves with most employers in the country.

2.4.3 Federal Systems

Structural challenges are inherent in systems in which national sector bodies operate within a federal system. These challenges can relate to conflicting priorities and lack of effective communication between state and federal governments, and the limited influence of national sectoral bodies within such systems caused by limited funding and a lack of control at state level (Ashton, *op cit*). The voice of employers tends to be weaker in federal systems than in more centralised political structures (UKCES, 2010c). Sector bodies operating in countries with two tier structures such as these tend to have an information role – sharing good practice and identifying trends – at the national level, with programme delivery taking place at a state or regional level (Sung et al, *op cit*).

A federal structure of sector bodies needs to ensure reach across localities. In Australia, for example, only two out of 11 Industry Skills Councils are active in Tasmania; national labour market information and qualifications therefore fail to take Tasmanian needs into account (Education, Employment and Workplace Relations References Committee, *op cit*).

Sector bodies in Australia operate nationally. At the state level, industry involvement is delivered in the form of state training boards, which advise policy makers on training needs; licensing authorities for occupations in which there are statutory skill or qualification requirements; state economic development boards; and upper secondary curriculum boards (Cully *et al, op cit*). Local industry involvement in terms of representation on training providers' boards is also common *(ibid)*.

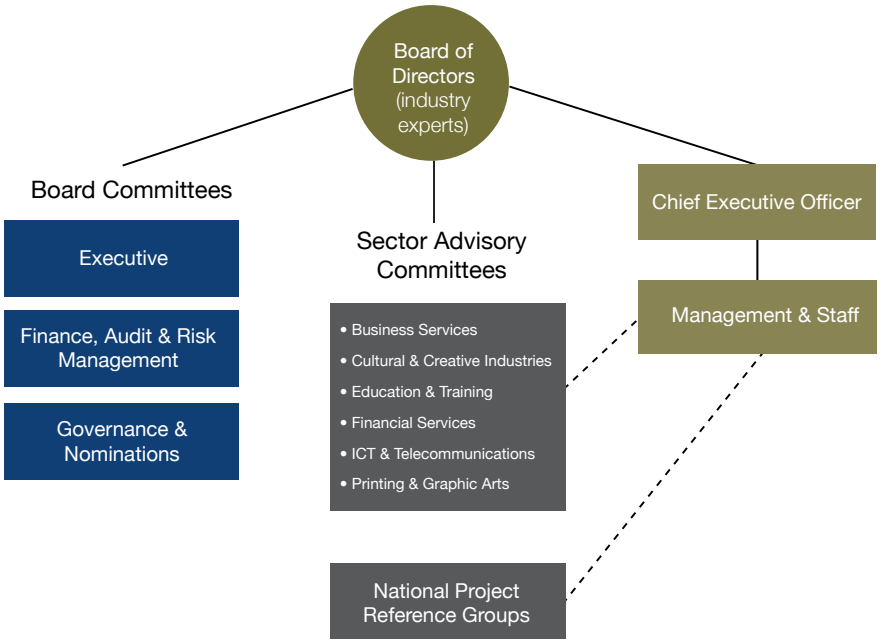
2.4.4 Governance

It is vital that employees are represented in sector bodies. This can be achieved through the engagement of unions. Teachers and trainers should also be engaged; national sector bodies cannot understand the diversity of local employers' needs – but local training providers can (Shoesmith, 2009). In terms of the role of sector bodies' boards, there needs to be clear separation between strategic and operational issues; where board members have become unduly involved in operations, the promotion of their personal interests has restricted effectiveness, as has happened with certain SETAs in South Africa (Grawitzky, 2007). It is equally important that the stakeholder participation in setting the strategic direction of sector bodies is not forgotten in favour of a focus on board-level fiduciary responsibilities; in South Africa, *'this has resulted in the worst of both worlds – poor corporate governance of SETAs and inadequate strategic focus on demand-led skills development'* (Marock, 2010:30).

Figures 2.4.4.1 and 2.4.4.2 below show two slightly different governance structures from Australia and the United Kingdom. Board committees are similar, covering finance and audit, nominations and executive functions/remunerations. In both organisations, sub-sector-specific groups advise the Board, and in the case of Australia, the management/staff too. The UK sector body varies in its use of country-specific advisory groups, and also in its recent adoption of a 'Council of Members' to incorporate a wider range of stakeholder views.

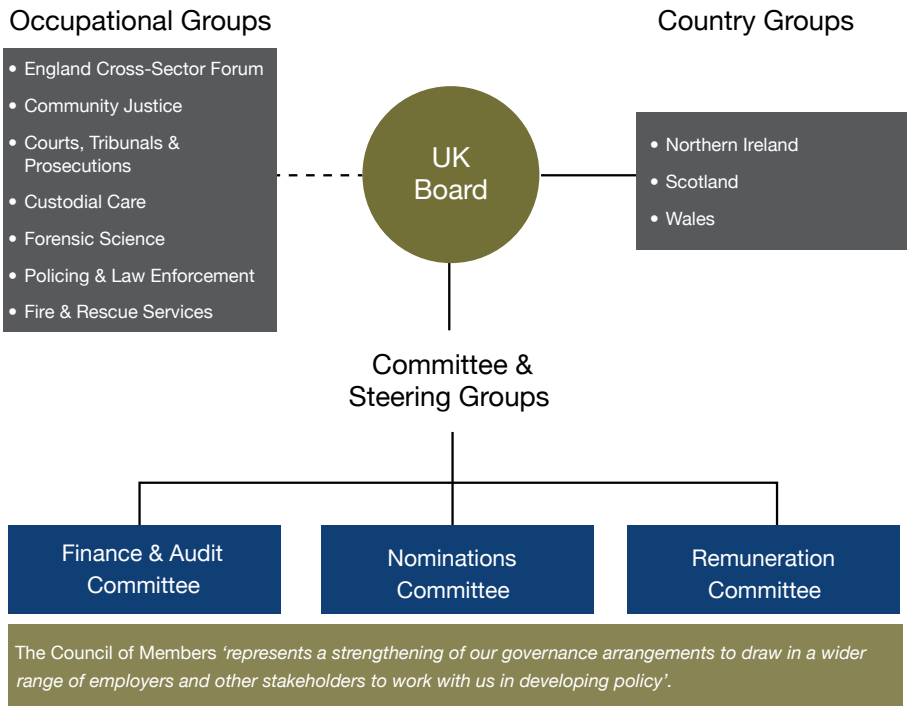
2. International Literature Review

Figure 2.4.4.1 Example Corporate Structure: Innovation and Business Industry Skills Council, Australia



Source: Innovation and business Industry Skills Council website

Figure 2.4.4.2 Example Governance Structure: Skills for Justice (UK)



Source: Skills for Justice website

2. International Literature Review

2.5 Funding

2.5.1 Operational Funding for Sector Bodies

Sector bodies tend to receive the majority of their operational funding from the state (e.g. Bewick and Abbott, 2010). This public funding can take various guises (see box, right) in the form of core funding support, payment by results or competitive tendering.

Sector bodies have often managed to leverage private sector funding to support their operational activities. New Zealand's Industry Training Organisations, for example, perform a variety of roles outside their statutory responsibilities, some of which are chargeable – for example, commercial training and services in areas in which public funding is not available (Baker, in Bewick and Abbott, ibid). Pakistan's Industry Advisory Groups are encouraged to supplement their public funding through independent donations and the delivery of consultancy services (Riaz, in Bewick and Abbott, ibid).

Little research has been done on employer motivations for funding sector body operations, but research into employer investment in publicly funded training from the UK (Parsons, Barry, Thomas, Rowe and Walsh, 2005) suggests that recognition of quality or capability gaps is a more important driver than corporate or social responsibility objectives. The same study found that expected gains from funded projects – including ongoing partnership investment – align closely to business needs. This suggests that articulating the ability of sector bodies to respond to individual business requirements may help to leverage greater levels of investment.

Despite private sector funding involvement, the public good nature of sector bodies means that long-term independence from state funding is unlikely to be achieved. A continued reliance on public funding is also influenced by policy makers themselves, who *'begin to see that withdrawing public funds entails a loss of leverage and influence over skills development'* (Raddon and Sung, 2006:16).

In 2001, Canada's Human Resource Development Council stated that initial funding for Sector Councils was provided by the Federal Government and would be phased out after three years (HRDC, 2001). In 2005, Sector Councils received security of funding for a further three years; the Councils contended at the time that *'the pressures associated with achieving self-sufficiency can distract a fledgling council's focus from their original mandate, and even inhibit successful councils from sharing information and best-practices with other councils as they try to maintain a competitive edge for limited… resources'* (Watt and Gagnon, 2005:24). The Councils also argued, together with employers and training providers, that the self-sufficiency drive and a lack of committed infrastructure support in the longer term made it hard to plan or build partnerships *(ibid)*. Sector Councils at the national level today remain funded by Government[9] (Cully *et al, op cit*).

International Highlights

- New Zealand's Industry Training Organisations have a direct role in the distribution of funding: they broker up to 10% of the tertiary education budget to 35,000 employers (Bewick and Abbott, *op cit*).
- Dutch Knowledge Centres receive funding for four main activities (Sung, *op cit*):
  - The development and maintenance of competency standards and qualifications, receiving a set amount of funding for each individual qualification/standard.
  - Accreditation of employers who offer work-based training.
  - The recruitment and placing of apprentices.
  - Projects and research, e.g. employer surveys.

  The payment for standards and qualifications encourages Knowledge Centres to maintain their effectiveness and relevance, and to ensure that they are valued by both employers and learners *(ibid)*.
- Australia's Industry Skills Councils are not-for-profit. They receive core Government funding, and also bid for Government contracts and private tenders (Education, Employment & Workplace Relations References Committee, *op cit*).
- The UK intends to move away from its current model of equal shares core funding for Sector Skills Councils towards an *'investment-based, contestable and differentiated approach'* by April 2012. It has recently launched the Employer Investment Fund, which will allow sector bodies to run and pilot *'small scale innovative solutions'* to raise skills levels and business performance. Such projects might include early development of a licence to practise or the development of pre-employment programmes, and grants are expected to range in size between £500,000 and £1 million (UKCES website; UKCES, 2011).

9 Although the implementation of skills development plans at a local level may involve funding arrangements between the Sector Council, employers and training providers.

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Other arguments exist for sustained public funding for sector bodies. In addition to supporting their effective operation, public funding can help to ensure broad employer participation (DFID, 2011). It also enables governments to support broader policy objectives which might not otherwise be driven by employers, such as the development of basic skills or a focus on excluded groups (Raddon and Sung, *op cit*).

Public funding, while varying significantly by country (see Table 2.5.1 below), needs to be of a sufficient level to ensure that sector bodies are able to fulfil their remit. In the United Kingdom, for example, *'meagre funding levels inevitably stunted the initial development of the [Sector Skills Councils]'* (Hartley and Richmond, 2009:36). Funding levels remain relatively low compared to the activities required of Sector Skills Councils; *'their eternally expanding remit and supposedly pivotal role in qualification reform, sector-wide skills development, national employer engagement, monitoring training providers, supporting the economic recovery and raising productivity simply does not correlate with the amount of funding they are each given' (ibid: 37)*. Insufficient levels of public funding risk consigning sector bodies to being ineffectual and irrelevant.

One contested route to supporting the financing of sector bodies, and related training for employers, is through a levy system. This can be voluntary (certain sectors in the Netherlands, for example, have chosen to have a training levy) or compulsory, as in the cases of France and South Africa. Compulsory levies, aside from ideological or political considerations about whether an interventionist strategy is appropriate, can have their problems – Australia's failed levy system, for example, was thought to have highlighted the cost of training to employers, rather than demonstrating its value (Brisbois, Pollack and Saunders, 2009).

Compulsory levies, however, *'probably'* contribute to higher levels of training, and the process of drawing up a training plan – which forms part of employers demonstrating their use of training funds raised through the levy – helps to create a culture of training in the firm (Stone and Braidford, 2008:17). Levies also help smaller companies to deliver training *(ibid)*. Evaluations of French training levies suggest that employers tend to be more accepting of sectoral or regional levies than they are of national ones, especially when represented in organisations that are charged with fund disbursement (Billett and Smith[13], cited in Brisbois *et al, op cit*).

Table 2.5.1 Core State Funding for Sector Bodies[10]

	Australia	Canada	New Zealand	South Africa[11]	UK
Funding (national currency)	$45,596,797	$27,380,000	$1,000,000[12]	R0	£47,647,000
Funding (INR)	2,191,798,128	1,274,591,101	39,905,200	0	3,416,647,793
Population	21,874,900	33,739,900	4,315,800	49,320,150	61,838,154
Equivalent funding per capita	Rs.100	Rs.38	Rs.9	Rs.0	Rs.55

10 State funding data come from the following sources: Australia: Education, Employment and Workplace Relations References Committee, 2011; Canada: HRSDC, 2011 (figures are from 2007/08; more recent figures are pending); UK: UKCES, 2010a. Population figures come from the World Bank. Other figures have been calculated. Core state funding figures for the Netherlands were not available. Currency conversions were correct in June 2011.

11 Core funding is taken from SETAs' 1% levy on employers' payrolls, hence the lack of public funding.

12 Core funding was cut in 2010 to £1 million; this compares to an increase of £3 million to over £220 million targeted at funding industry training and modern apprenticeship places through Industry Training Organisations (TEC, 2010a).

13 Billett, S. & A. Smith (2005). Myth and Reality: Employer Sponsored Training in Australia. *International Journal of Training Research* 3(2):16-29.

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2.5.2 Financial Incentives, Funding for Training and the Role of Sector Bodies

Financial incentives for employers to participate in sector skills approaches can take three main forms (Ashton, *op cit*):

- Statutory regulation, such as employer levies (e.g. France, South Africa and some sectors in the Netherlands – see Section 2.5.1).
- Direct subsidies from government (e.g. the former Train to Gain system in the United Kingdom).
- Indirect financial support, such as tax refunds for sector body-accredited workplaces (e.g. the Netherlands).

Financial incentives should have the outcomes of (a) addressing market failure by changing the balance of costs and benefits so that employers want to participate, and (b) supporting the role of sector bodies (Sung, *op cit*). Effective incentive systems depend very much on the institutional and political context in which they operate (Ashton, *op cit*). In the Netherlands, for example, the historical support of the 'social contract' system plays a key role in determining which incentives are appropriate for the Dutch context. Certain sectors pay between 0.2% and 0.5% of their wage bill into a sectoral training fund; the agreement on contribution and level constitutes part of national bargaining between employers, workers and the state (Sung, *op cit*).

Sung *(ibid)* identifies three routes through which funding for training can be distributed:

- Through sector bodies (e.g. the Netherlands and New Zealand).
- Through learners (e.g. Australia).
- Through colleges or public training systems (most other places).

Steering funding through sector bodies has the effect of giving them a leading position in the skills development system and garners higher levels of employer engagement *(ibid.)*. Ashton *(op cit)* critiqued the UK system in which the agencies controlling the use of training funds also have to follow the Government's policy agenda. The UK wanted to develop an employer-led system, but failed in its attempt by adding Sector Skills Councils to what was, in effect, still a supply-led system which was *'dominated by the Learning and Skills Council'*, now the Skills Funding Agency and the Young People's Learning Agency (Sung, 2010:30). Despite recent changes to the funding agencies themselves, the situation has not changed: public policy is, through the nature of the funding structure, prioritised over employer needs. This results in training places and programmes having to be *'"sold" to employers'* (Ashton, 2006:7).

Funding for training within sectoral skills development can be further complicated by a federal system. In Australia, for example, Industry Skills Councils compile national competency standards, but funding is delivered through state governments, many of which fund different numbers of hours of training per learner. This may have the consequence of training in some states not covering all of the required standards (Sung *et al, op cit*).

In New Zealand, the sector body system has been so successful in encouraging training uptake that some Industry Training Organisations do not have sufficient places to meet demand: *'success in developing a culture of training often brings higher numbers of learners and the potential need for additional public funding'* (Sung *et al,* 2006:32). A challenge for long-term planning is therefore, for some countries, to identify how funding should work in the event that demand exceeds supply.

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- In Singapore, employers are provided with an incentive to move into higher value-added activities through a tax on low paid labour. The proceeds of the tax are used to train older workers in a variety of sectors (Ashton, *op cit*). Financial incentives and training are thereby tied into Singapore's industrial policy, which is aimed at developing a competitive advantage in high-end activities.
- In Australia, funding for training is often channelled directly to technical and further education colleges; employers therefore often engage directly with colleges and avoid the Industry Skills Councils, whose role is sometimes reduced to the creation and maintenance of competency standards (Sung *et al, op cit*).
- Allocation of training funds to Industry Training Organisations in New Zealand is contingent upon receiving a 30% cash contribution from employers (TEC, 2010b).

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2.6 Employers

2.6.1 Industry Sectors

Table 2.6.1 below shows industry sectors as represented by sector bodies in six selected countries[14]. Sectors have been grouped into broad industry areas; Australia has been used as the baseline because it has the fewest sector bodies of the countries under consideration. Similar sector categories across countries are represented by the same shade of colour.

Table 2.6.1 Bodies by Sector and Country[15]

Australia	Canada	Netherlands	New Zealand	South Africa	UK
Agriculture & Food	Agriculture	Agriculture	Agriculture	Agriculture	
	Fish		Equine Industry		
Forest Industries	Forest Products		Forestry	Forest Industries	
	Environment				Environment & Land
Construction & Property	Construction	Construction & Infrastructure	Building & Construction	Construction	Construction
			Building Service Contractors		Building Services
			Cranes		
			Real Estate		Property, Housing, Cleaning & Facilities
		Painting & Maintenance, Plastering & Finishing	Plumbing, Gas Fitting & Drain Laying		
	Wood	Joinery & Wood	Joinery		
			Flooring		
Community Services & Health		Health Care, Social Care & Sport	Pharmacies	Health & Welfare	Health
	Apprenticeships			Education, Training & Development	(Lifelong Learning)[16]
	Child Care		Social Services		Social Care & Development
			Community Support Services		
	Police		Fire & Rescue Services		
	Aborginal				
	Nonprofit				
			Sport & Recreation		Sport & Leisure
			Sports Turf		

14 Sector Skills Councils work across all nations in the UK, including England.

15 Some of the sectors do not represent the sector bodies' actual names, but are, we believe, a fair representation of the industries they cover.

16 Lifelong Learning UK, the Sector Skills Council for Lifelong Learning, lost its licence to operate on 31 March 2011 and its responsibilities have been subsumed within the Learning & Skills Improvement Service.

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Australia	Canada	Netherlands	New Zealand	South Africa	UK
Energy & Utilities	Electricity		Electricity Supply	Energy	Energy & Utilities
	Petroleum				Chemicals, Pharma, Oil, Gas, Nuclear, Petroleum, Bioscience
Government			Public Sector	Public Services	
				Local Government	
Innovation & Business					Law & Justice
	Bio-Economy	Technology		Chemical Industries	
	ICT		Electrotechnology	Information Systems, Electronics & Telecomm-unications	IT & Telecoms
		Health, Technology & Creative Craftsmanship			Science, Engineering & Manufacturing Technologies
		Process/ Environmental/ Laboratory Technologies & Photonics			
	Culture	Graphics & Media		Media, Advertising, Publishing, Printing & Packaging	Creative & Cultural
	Printing				
	Apparel		Apparel & Textiles	Clothing, Textiles, Footwear & Leather	Media & Fashion
	Textiles				
		Economic/Admin, ICT & Security		Financial Services	Financial Services
				Banking	
				Insurance	
Manufacturing			Engineering, Manufacturing & Baking	Manufacturing & Engineering	Process & Manufacturing
	Food Processing			Food & Beverage Manufacturing	Food & Drinks Manufacturing
	Automotive Manufacturing	Vehicle Buiding & Body Repair			
	Plastics				
Resources & Infrastructure			Infrastructure		
	Mining		Extractive Industries		
	Steel				

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Australia	Canada	Netherlands	New Zealand	South Africa	UK
Services				Services	
	Tourism	Hospitality, Bakery, Tourism, Recreation & Facility Services	Hospitality	Tourism & Hospitality	Hospitality, Leisure, Passenger, Transport, Travel & Tourism
			Aviation, Tourism & Travel		
		Hair Care, Foot Care & Beauty Care	Hairdressing		
			Funeral Services		
	International Trade	Retail, Wholesale & International Trade	Retail	Wholesale & Retail	Retail
	Grocery	Fresh Food Retail & Industry	Retail Meat		Automotive Retail
	Contact Centre			Safety & Security	
Transport & Logistics		Transport & Logistics	Transport & Logistics	Transport	Logistics
	Supply Chain				
	Automotive Repair/ Service	Automotive	Motor Industry		
	Aviation & Aerospace		Boating Industries		
	Trucking				
	Motor Carrier				

There is a tension between having focused sector bodies whose role is not so broad as to deny them effectiveness, and having a system in which employers themselves define the sectors of which there is likely to be a higher number than those which are state-defined. The Netherlands and New Zealand, both of which are widely considered as having successful sector skills models, have taken different approaches to this. In the Netherlands, the number of Knowledge Centres has been decreasing since 1996; there are currently 17. *'It is understood that to make the qualifications structure sufficiently flexible and portable, the "footprints" of the Knowledge Centres need to become bigger, and therefore in the longer term there will be fewer of them'* (Sung, 2010:27). Conversely New Zealand, which has 39 sector bodies, has actively chosen not to define the number of sectors; it is believed that sector bodies will only develop in areas in which there is a clear industry need (Bewick and Abbott, *op cit*).

There are benefits and risks in both approaches. Flexibility and portability, as suggested by Sung (above), can be benefits of a broader approach, as can cost savings through reduction in administration costs (Sung *et al*, 2006); low levels of industry contact and understanding on behalf of the sector bodies can be a limitation. Concerns have been raised, for example, in Australia, where there are just 11 Industry Skills Councils, that sector bodies have been broadened to the extent to which limited industry contact and understanding undermines individual qualifications (Education, Employment and Workplace Relations References Committee, *op cit*).

2.6.2 Employer Engagement

Employer engagement by sector bodies can take a number of forms, and practical attempts at engagement are more likely to succeed if the surrounding systems and structures give sector bodies, and therefore the employers who engage with them, real power within the system (see, for example, Ashton, *op cit*).

Value systems and other cultural factors affect the extent to which industry engages with vocational education and training in different countries. In China, for example, academic scholarship – historically the major route to prestigious Government jobs – remains highly regarded in comparison to other forms of education, and this has affected the extent to which businesses have engaged with the vocational education and training system (Misko *et al, op cit*).

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There are various challenges inherent in an employer-centric approach to skills development which need to be recognised and, where possible, mitigated. These include the likelihood that strategies will be led by the most vocal employers; differing organisational perspectives depending on job role and level; the multiple views represented by employers, including their own, those of the business and those of their customers; and the risk that those who could make the most valuable contributions also have the least time, and are therefore less likely to participate in sector bodies (UKCES, 2010c).

Five levels of employer engagement exist in the UK (Payne, 2007):

- Sector Skills Council strategy and development.
- Designing skills and qualifications provision.
- Utilising skills and qualifications provision.
- Research and labour market intelligence.
- Mass communications.

An evaluation of this engagement found that levels of employer engagement differ significantly across Sector Skills Council *(ibid)*. Levels of employer awareness of Sector Skills Councils are low (Sung, 2010), and the UK has historically struggled with employer engagement. For many organisations, *'skills are often a third or fourth order issue dependent upon first and second order decisions around product market positioning, work organisation and job design'* (*ibid,* 2007:35).

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- The preferred employer engagement mechanism in Australia, New Zealand and Canada is personal contact through site visits (Stone and Braidford, *op cit*), which has helped to engage small employers but is unlikely to be replicable in countries with larger populations without massive investment of resources.
- The initial incarnation of New Zealand's Retail Industry Training Council attempted to engage employers through attempts to increase and improve in-house training. This attempt failed – many felt they were already providing good quality training. The second incarnation of the Retail ITO instead offered accreditation of workplace training and recognition of prior learning, which led to more successful engagement (Sung *et al, op cit*).

'Dualism', which involves the incorporation of both theoretical knowledge and competence-related skills in vocational education and training, has been key to developing the high levels of employer engagement seen in the Netherlands; the potential to influence employability and workplace skills within individual qualifications has raised their levels of interest (Sung, *op cit*). It should be noted that the Dutch system is unlikely to be directly transferable to other contexts; its social model of tripartite responsibility (state, employers and workers) has a long history and encourages greater involvement from stakeholders than might be found elsewhere.

Another way of improving levels of employer engagement is to stream funding for training through sector bodies (see above under Funding), which has the effect of encouraging employers to engage in the sector bodies, and thereby makes training more relevant to their needs. *'The key to nurturing the continuation of a successful partnership is the incentive system – i.e. funding arrangements – for those who are involved'* (Sung, 2010:20). In addition to appropriate financial incentives, the extent to which policy makers are prepared to take a hands-off approach to sector bodies can have a significant effect on employer engagement levels (Raddon and Sung, *op cit*).

Statutory regulation can work under certain political and cultural conditions. Before 1996 in China, for example, state organisations enforced industry involvement with vocational education and training; 1996 reforms reduced their power to do this, and combined with structural changes such as a labour surplus to reduce industry-training links (Misko *et al, op cit*).

Practical means of sector bodies engaging employers are often stifled in debates around the importance of doing so. State Sector Strategies, an American multi-state project which aims to exchange knowledge between states using sector strategies to help support skills development, is an exception to this. It outlines a number of ways in which states have effectively engaged employers within their jurisdiction (State Sector Strategies website[17]):

- Using sector experts to advise on appropriate means of industry engagement.
- Offering services that employers believe they need (some might not see the value of training prior to engagement, but all will see the value of good recruitment). This might consist of bundling packages of services to support employers, with their involvement in the design and delivery, such as recruitment of appropriately skilled members of staff, training and staff retention.
- Encouraging state level industry associations to engage their members.
- Recruiting industry leaders to act as champions for their sectors. This could take the form of speaking at meetings and conferences, writing articles for newsletters and engaging in web-based communications.

17 http://www.sectorstrategies.org/

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- Taking a policy influencing role; demonstrating to businesses that sector bodies can influence policy makers at a regional level to effect change on their behalf.
- Demonstrating value to businesses by providing early baseline labour market data and analysis, which can act as a foundation for early discussions and the setting of goals. Businesses could be invited to a forum in which they are invited to provide *'on-the-ground'* feedback.

The organisation adds that employers' time constraints must be respected; lack of available time is a key barrier to employer engagement, particularly in small organisations. Time input should be required at only key stages, and attendance at ongoing process meetings should be avoided where possible.

While industry engagement and the development of the 'employer voice' have been at the heart of many attempts to develop sector bodies internationally, the role of sector bodies must not become confused with that of industry associations. Sector bodies, in an ideal model, incorporate the views of a broad range of stakeholders, and also pay heed to national policy objectives such as the development of basic skills (see Section 2.3). As the Australian Automotive Industry Association has pointed out, *'Industry Skills Councils do not represent industry; Skills Councils are a mechanism to co-ordinate consultation… to draw in the views and need of industry, to provide Government with critical information, so the funding and policy can be determined according to industry need'* (Education, Employment and Workplace Relations References Committee, 2011:8). Employers are not always able to articulate their skills needs *'and can be reluctant to give time towards development of qualifications and strengthening of a skills development system'* (DFID, 2011:7).

Evidence from the Netherlands suggests that the key point at which to engage employers is in the *'development and maintenance of competency standards that drive the [vocational education and training] system. Once that is the case, the subsidies and the training act as reinforcing complements to each other within the normal conditions of employment'* (Sung et al, 2006:20).

2.6.3 Hard-to-Reach Groups

Employer engagement often needs to be tailored according to sector and occupation, some of which are harder to engage – and require different approaches – than others. Five years ago in the UK, for example, the number of small and medium sized enterprises in the construction industry was growing rapidly (Hughes and Smeaton, 2006), suggesting that the sector body charged with the construction industry had to find better ways of engaging small and medium sized enterprises. Case studies of employers in different sectors suggested that sector bodies not only have to tailor their approach according to sector, but also by the varying nature and priorities of different employers within that sector *(ibid)*; taking a uniform approach to employer engagement even within a single sector is unlikely to be successful.

A major challenge facing all countries is the engagement of small and medium sized organisations. South Africa has attempted to address this through the concept of the 'lead employer' (Grawitzky, *op cit*) through which several employers, including small businesses, can participate in training a single learner (Department of Labour website). Australia and New Zealand *'have embraced'* the engagement of small businesses in their sectoral systems due to a lack of large employers in many sectors and regions (Stone and Braidford, *op cit*).

South Africa has had to contend with the further challenge of a significant informal sector; informal sector workers have tended to fall into a gap between provisions made for small and medium sized enterprises, and those made for the unemployed (Devey, Lebani, Skiller and Valodia, 2008). Devey et al *(ibid)* have recommended encouraging SETAs to have separate strategies aimed at training informal economy workers together with dedicated financial resources, as *'the supply of training to informal economy workers is not a profitable venture for private suppliers'* (Devey *et al,* 2008:130).

2.7 Quality Assurance

Countries' quality control mechanisms can include (Cully *et al, op cit*):

- Input-focused approaches, such as curriculum content, training delivery and administrative arrangements. Countries with a focus on inputs include France and India.
- Output-focused approaches, such as competency assessments.
- Self-regulatory or market forces approaches, for example some areas of the United States.
- External agency approaches, for example independent awarding bodies.
- Combined approaches incorporating two or more of those outlined above, which can be determined by funding sources or the groups accessing training. This is the most common approach.

Extensive quality assurance mechanisms are more common in countries which have a national qualifications framework, due to *'a perceived need to protect the inherent integrity of the framework, the individual qualifications, and the awarding of the qualification by [vocational education and training] providers'* (Cully *et al,* 2009:41). Countries without such frameworks have less complex regulatory arrangements, which Cully *et al (ibid.)* suggest is due to higher levels of employer engagement; quality control occurs at the level of individual occupations rather than groups of qualifications.

A review of international quality assurance systems in vocational education and training by Australia's Department of Education, Employment and Workplace Relations identified

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- In Australia, the National Quality Council (shortly to become the National Standards Council) oversees quality assurance and consistency in standards. Industry Skills Councils must provide a *'case for endorsement'* when presenting new or amended qualifications and competency standards to the National Quality Council. This must demonstrate widespread industry support; that it meets policy requirements and quality principles set by the National Quality Council; a rigorous and transparent consultation and validation process; and a consideration of impact (Education, Employment and Workplace Relations References Committee, *op cit*).
- In the Netherlands, the Advisory Body for Education and Labour Market checks and adapts the qualifications and training proposed by the sector bodies to ensure that (a) policy goals are met, (b) qualifications do not overlap and (c) qualifications adhere to a common set of criteria (Sung, *op cit*).
- The Tertiary Education Commission in New Zealand is in the process of introducing in-depth audits and is revising funding rules for Industry Training Organisations after a review found monitoring and reporting processes to be unsatisfactory, and that some ITOs had claimed funds for which they were not eligible (TVNZ News, 2011).
- South Africa's second National Skills Development Strategy (2005-2010) attempted to move from setting SETAs input-focused targets, which had led to attempts to increase learner numbers without measuring impact, towards outputs-focused targets, such as quality and impact (Grawitzky, *op cit*).

the following as good practice in quality assurance, with the important caveat that they need to be considered within local contexts (DEEWR, *op cit*):

- A movement towards continuous improvement and review rather than auditing.
- Exchange of information and interaction between the organisation conducting the quality assurance and the organisation being quality assured.
- Public availability of findings.
- Complete independence of the quality assuring organisation from the organisation being reviewed.

2.7.1 The Role of Sector Bodies in External Quality Assurance

The role of sector bodies needs to be clearly defined within the broader skills development policy landscape and the quality assurance roles of the various agencies in order to focus activities and avoid duplication. In South Africa, mixed messages and a lack of clear, agreed criteria *'have had the unintended consequence of SETAs and even different sections within the same government department providing different interpretations and administrative/legal requirements to employers and providers'* (Marock, 2010:32).

Quality assurance mechanisms must aim to balance the fundamental objective of quality with the minimal use of bureaucracy. In Australia, for example, bureaucracy combined with onerous national quality requirements have led some industries to believe that certain qualifications are no longer effectively meeting employer needs, nor that sector bodies are able to respond quickly enough to urgent skills requirements (Education, Employment and Workplace Relations References Committee, *op cit*). In South Africa, the quality assurance of providers *'has become a tedious and bureaucratic process'* (Grawitzky, 2007:40).

2.7.2 Quality Assurance of Sector Bodies

There is a balance to be struck between allowing sector bodies their independence, and ensuring that they use their funds effectively to meet the objectives which they have been set. In Canada, for example, complex performance monitoring has led to the diversion of staff from activities that would otherwise have led to better performance (Sung *et al, op cit*). Conversely, South Australia requires nothing of Industry Skills Councils beyond business plans and financial audits *(ibid)*.

The appropriateness and difficulty of performance measures varies substantially by country. In South Africa, SETAs have met their official performance targets while being publicly criticised for their failure to perform; their very achievement of these targets may feed negative public perceptions (Grawitzky, *op cit*). Quality assurance processes were revised in 2005

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following reports of misuse of funds, together with a failure to spend the money raised from employer levies *(ibid)*. Lessons from South Africa also demonstrate the importance of having a defined process to follow when a structure is not performing. This process should involve relevant statutory bodies and should operate within a clear timeframe (Marock, *op cit*). In the UK, Sector Skills Councils have lost their licences to operate when they have failed to function effectively, with their roles and responsibilities subsumed by other agencies[18].

In addition to external targets and audits, sector bodies need to develop systems which ensure effective monitoring and evaluation of their own projects, and this monitoring and evaluation should be supported by research (Grawitzky, *op cit*).

2.8 Effectiveness

2.8.1 General Effectiveness

According to Sung *(op cit),* greater effectiveness can be achieved through strengthening sector bodies' role, increasing levels of employer engagement, rethinking (and aligning) institutional relationships with other relevant organisations within the system, and rerouting funding through sector bodies. In terms of the power of sector bodies, *'if the sectoral body does not effectively influence (or determine) [vocational education and training] outcomes in terms of qualifications and funding outcomes, employers are unlikely to be interested to be "engaged" either at the board level or as users taking advantage of the training on offer'* (Sung, 2010:25).

Gunderson and Sharpe (cited in Watt and Gagnon, *op cit*) identified eight principles for building effective Sector Councils in Canada. These principles consisted of an equal balance between employers and employees; business and labour to drive sector bodies, not government; ensuring that sector bodies complemented the existing collective bargaining framework; collaborative decision-making; maintenance of strong links between sector bodies and workplaces; adequate resourcing (including long-term public funding); strong leadership; and realistic expectations of results.

In the Netherlands, the most effective Knowledge Centres work coherently and well across areas such as qualifications, number of apprentices and the accreditation of workplaces, and use their success to draw down more funding – and therefore grow (Sung, *op cit*).

2.8.2 Qualification Frameworks and Cross-Sector Issues

National qualifications frameworks can also support the effectiveness of sectoral systems. This is through their provision of a framework through which industry skills needs can be assessed; their definition of competency, standards and learning outcomes; their support for curricula design and the design of learning activities; the ability they confer to measure progress, offer career pathways and deliver portability; and the value they add to learning (and the resulting additional future demand) (Sung *et al, op cit*). Alternatives to national qualifications frameworks have also been successful, such as employer-designed 'skill sets' in the United States which offer progression within 12 sectors *(ibid)*.

One of the challenges facing many sectoral systems is the ability to deal with cross-sector issues. This issue can be addressed by the existence of a sectoral body such as Colo, the umbrella organisation for Knowledge Centres in the Netherlands, dealing with labour market information. Colo's role in collating and publicising labour market information and forecasts, which it publishes online, improves the effectiveness of Dutch sector bodies (Sung, *op cit*).

2.8.3 Funding and Structure

Where funding is linked to narrow targets, such as qualification numbers, sector bodies tend to be less effective. Financial incentives have been highlighted earlier in this report as being an important aspect of a sectoral skills system (see Sung, 2010), but an effective skills system incorporates appropriate financial incentives within a broader, integrated approach to sectoral skills development which takes account of broader employer and worker motivations. If employers' in-house training activities, for example, are recognised within the qualifications system, financial incentives are more likely to engage employers than if their in-house training went unrecognised (Sung *et al, op cit*).

Where South Africa's SETAs have failed to be effective (some, such as Fasset, perform very well), it is due to poor management and leadership, inadequate systems or staff, fragmented boards and – most importantly – the imposition of a diverse and unachievable range of stakeholder expectations. SETAs *'have become all things to all people'* (Grawitzky, 2007:36). South Africa also faces two important challenges: the large area of the country – and therefore the dispersed nature of its stakeholders, and the extent of the informal economy (Sung *et al, op cit*).

2.8.4 Stakeholder Engagement

As highlighted in Section 2.6.2 above on Employer Engagement, the most effective sectoral systems tend to incorporate a wide range of views – not just those of employers, but also those of policy makers and employees (usually via government representatives, union representatives and professional bodies). The involvement of employees helps sector bodies to succeed through helping to identify employers' workforce development needs and employees' training needs (Sung *et al,* 2006). The nature of union involvement, however, in sectoral bodies tends to be influenced by unions' historical and social role. In the United Kingdom, for example, unions tend to hold an advisory rather than a

18 See, for example, http://www.ukces.org.uk/assets/bispartners/ukces/docs/ssc/lluk-transfer-announcement-310311.pdf

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decision-making role in national institutions, which is linked to the tradition of free collective bargaining or voluntarism; in France, on the other hand, unions are strongly involved in collective bargaining in a wide range of areas (Moncel, 2007).

2.8.5 Approaches to Learning

Creation of a culture of learning, both within individual organisations and within a broader sector, is central to many effective sectoral approaches, as it can raise performance in the longer term. A single training programme or accreditation at a basic level can raise levels of interest, making it more likely that employers and employees will continue to engage with training in the longer term. Australia, New Zealand and South Africa have built a learning culture through employer-led competency frameworks which allows pathway certification (Sung *et al, op cit*).

Separate evidence suggests, however, that this approach may have had unintended consequences in South Africa. One of the main weaknesses to be highlighted in evaluations of South African SETAs has been too much focus on the development of basic skills (the level at which Sung et al suggest learner and employer interest is piqued), at the expense of intermediate and higher level skills. Grawitzky *(op cit)* suggests that reasons for this may include a failure of SETAs to respond to their sectors' needs; SETA boards failing to agree on priority areas and to share responsibility for delivery; the resource intensive nature of the introduction of learnerships; and the focus of SETAs on company needs, with the *'questionable involvement'* of organised labour. It appears that the focus on basic skills has not, as yet, been translated into employer demand for intermediate and higher level skills.

2.9 Implementation

The use of baseline studies elsewhere (e.g. baseline indicators used by Johnson, Walton, Filder, Devins, Hillage and Tamkin, 2006, as part of their phase 3 evaluations of the Sector Skills Council network in the United Kingdom) demonstrates the importance of early assessments from which the impact and effectiveness of sector bodies can later be evaluated. Such baseline indicators might include (adapted from Johnson *et al, ibid*):

Sakamoto (2009) has identified a number of emerging lessons for the implementation of a sectoral skills system. A new system takes time to embed and to start producing results; overly complex and bureaucratic structures can impede progress; urgent quantitative targets should not take precedence over the time needed to ensure quality; and effective monitoring and evaluation is essential, and helps to ensure the effective use of public funds.

Ensuring appropriate funding and institutional arrangements is key to the early success of sector bodies. According to Sung (2010:2), '*...having the ambition to become 'employer led' is one thing, but whether or not this is supported by the necessary funding and institutional arrangement to achieve a high level of employer-led VET system is another'*. A further key lesson for implementation is the importance of closely involving employers in the design and early stages of sectoral systems (Sung *et al, op cit*).

The implementation lessons cited are general and need to be understood in the context of the preceding sections of this report. A notable vacuum in international sector body literature lies in comprehensive evaluations of the creation, implementation and early work of sector bodies.

Table 2.9.1 Example Objectives and Baseline Indicators

Objective	Example Indicators
Improve productivity, business and public sector performance.	• Gross Value Added (GVA) per worker. • GDP per hour worked in comparison to other countries.
Reduce skill gaps and skill shortages.	• Skill gaps as a percentage of employment. • Skill shortage vacancies as a percentage of vacancies.
Increase training opportunities.	• Proportion of employees receiving job-related training in the last 12 weeks.
Improve employer awareness of sector bodies.	• Proportion of employers who are aware of their existence.
Raise employer commitment to training and workforce development.	• Proportion of businesses engaged in training employers. • Number of training days per employee per year. • Employer spend on training per employee per year.

2. International Literature Review

2.10 Good Practice Indicators

The recommendations below draw on good practice identified through the literature review. A note of caution needs to be sounded, as much effective practice is dependent on certain institutional, political and cultural factors. These have been highlighted where possible, but amending and adapting international good practice according to local context is likely to be the key contributory factor to success.

Area	Prerequisite	Recommendation
Role		
Definition		The role of sector bodies should be clearly defined and limited in scope, to avoid becoming 'all things to all people' and to increase the likelihood of being able to achieve their core objectives.
		Sector bodies should be given the flexibility to vary their activities according to the needs of their sector.
Activities	• National information systems. • Technological capabilities. • Inter-agency co-operation.	Labour market information should be collated nationally (avoiding duplication and wastage, and encouraging comparability), and then tailored and refined according to sector-specific intelligence by sector bodies. The LMI collation function could be fulfilled by a national employment and skills observatory.
		Sector bodies should aim, as part of their core activities, to act as a bridge between companies in the same sector. Encouraging employer networks in this way would (a) increase employer participation and (b) help to fulfil some of the remit of sector bodies – e.g. increasing innovation and employee training.
Models		
Employer Engagement	• National policy aims e.g. upskilling excluded groups are important within a sectoral skills system.	An 'employer-involved' or 'employer-driven' approach may be the most appropriate for the sectoral skills system.
	• Needs of employers are paramount within a sectoral skills system.	An 'employer owned' approach may be the most appropriate model for the sectoral skills system.
Structure & Governance		
System Structure		The sectoral skills system should be aligned to the same objectives as those in other parts of the system, such as national qualifications frameworks.
	• Federal system.	In order to be effective within a federal system, sector bodies need to be given power at state level. National sector bodies should ensure reach across localities. In a particularly large country such as India, this might require the establishment of state offices of national sector bodies, with the additional resource implications that this entails.

2. International Literature Review

Area	Prerequisite	Recommendation
Flexibility	• Strong variations in local labour markets and high levels of provider trust.	Within nationally set, sector-based curricula, providers should be given the flexibility to set a certain proportion (e.g. 20% in the Netherlands) according to local labour market needs.
Governance		Sector bodies should ensure that employers, employees, teachers, trainers and policy makers are incorporated into their governance structure and the setting of their strategic objectives. This can be achieved through the constitution of the board, the forming of occupational groups in sub-sectors, and appropriate consultation with external stakeholders.
		Individual influence on the setting of sector bodies' strategic direction should be minimised.
Funding		
Establishment		The initial funding resource dedicated to the establishment of sector bodies needs to be sufficient to ensure their effectiveness and relevance. Short-term cost savings may lead to longer term failure.
Funding of Training	• Strong governance and quality assurance of sector bodies – no mismanagement of funds.	A proportion of funding for training should be channelled through sector bodies themselves, which is likely to increase the effectiveness of skills programmes and lead to higher levels of employer engagement.
Employer Investment in Sector Body Activities	• Sufficient resources available for sector bodies to engage at the level of individual employers.	Articulation of the ability of sector bodies to respond to individual business requirements can leverage greater levels of employer investment.
Public Funding		Long-term independence from public funding is unrealistic.
		Consider funding according to individual sector body achievements and activities, rather than set grants – e.g. funding per qualification developed and maintained.
	• Federal system.	Where a decision has been made not to channel training through sector bodies, ensure – unless there are good local or regional reasons not to do so – that the allocation of funding for training is consistent across states. This will allow the competency standards and qualifications developed by sector bodies to align nationally, rather than learners in one state receiving funding for fewer hours to reach supposedly the same competency level.
	• Countries in which sector bodies have achieved a marked increase in demand for training.	Plans should be made for how public funding will operate – and how alternative financing mechanisms should come into play – in the event that demand for training exceeds supply (and public funds are stretched accordingly).
Financial Incentives		Any financial incentives selected – which depend very much on country context – should (a) address market failure by changing the balance of costs and benefits so that employers want to participate, and (b) support the role of sector bodies.
	• Countries considering levies.	Levies, despite their divisiveness, can be effective ways of instigating a learning culture and raising levels of training. Sector-based levies are likely to be more effective than national ones; they should be driven by employers within a sector, rather than by national policy makers.

2. International Literature Review

Area	Prerequisite	Recommendation
Employers		
Industry Sectors	• Large countries in terms of land mass (geographically dispersed) or population.	Broad-based sector bodies are most appropriate for smaller countries; scale, diversity and the challenge of communicating with the sector's employer base means that more focused sectors tend to be more appropriate for larger countries (it should be noted that this approach signifies greater resource requirements as there are fewer economies of scale in terms of administration). Evidence varies as to whether determination of sectors should be set by the state or driven by employers themselves.
Employer Engagement		Employer engagement can be enhanced within the structure of the sector skills system, through channelling funding for training through sector bodies; ensuring that the key point at which employers are engaged is in the design and maintenance of competency standards; and, in rare cases, statutory regulation requiring industry to engage.
		Many employers do not see the value of training until they have experienced it (and even then, only if they have had a good experience). This can be addressed by packaging skills development within other services which employers believe they need – ensuring that they are also involved in the design and delivery of these services – such as recruitment of appropriately skilled members of staff, training and staff retention.
	• No social contract.	Employers are likely to dedicate less time to engagement than in countries which have historical tripartite responsibility or a social contract. This means that engagement points need to be prioritised; the time put in by employers is likely to be finite. As suggested above, the key point at which to engage employers is in the design and maintenance of competency standards – this is the base from which many other elements of the sectoral skills system flow.
		The needs of employers vary significantly within a single sector and geographic region, and may even conflict with each other. The involvement of training providers with good local understanding can help to reflect the diversity of requirements within training policies.
Quality Assurance		
Quality Assurance System		Quality assurance of sector bodies should be managed by an independent organisation, and findings should be made public. The quality assurance process should be interactive, with the sector body and the quality assurance agency aiming for dialogue and information exchange.
		A balance needs to be found between effective performance measurement and the avoidance of bureaucracy – quality assurance systems should aim to gather sufficient evidence for effective evaluation, but should not make the process onerous on sector bodies.
Quality Control Mechanisms		Output-focused approaches to quality control, such as competency assessments, are likely to be more representative of system success than input-focused approaches such as curriculum content or training delivery.
		There should be a defined process in place for situations in which a sector body is failing to perform, attached to a clear timeframe.

2. International Literature Review

Area	Prerequisite	Recommendation
Role of Sector Bodies in External Quality Assurance		The quality assurance responsibilities of sector bodies needs to be clearly defined, and should avoid duplication of responsibilities with other agencies.
	• Countries in which sector bodies quality assure providers.	Simple processes are needed to avoid massive resource implications.
Implementation		
Research	• In-country research capacity.	Baseline studies should be conducted at the point of sector bodies' inception to provide an early assessment from which the impact and effectiveness of sector bodies can later be evaluated.
Expectations		Stakeholder expectations need to be managed; sector bodies will take time to embed and to fulfil their remit.
Design		Employers should be involved at the design stage.
Role		Roles and remits should be clearly defined and overlap with existing structures minimised. Flexibility should also be built in to allow different sectors to take different approaches.
		Sector bodies' objectives should be aligned to other parts of the skills development system.
Funding		Initial funding needs to be adequate to underpin the longer-term success of sector bodies, and to avoid the possibility that their establishment will become an expensive failure.

Country Reports

3. Country Reports

This section presents simplified system maps within which sector bodies operate in Australia, Canada, England, the Netherlands, New Zealand and South Africa. It briefly examines the history, structure, footprint and operational role of sector bodies in each of the countries; looks at their performance, together with any issues; and suggests a number of lessons which could inform the development of sector bodies in India. A contextual outline of each vocational education and training system, which also informs the recommendations for India, is available in the appendices.

Sector Bodies in Australia

3. Country Reports

3.1 Sector Bodies in Australia

3.1.1 Introduction

In the 2011 *Skills for Prosperity* roadmap, Skills Australia noted that *'Australia is poised for long-term prosperity through the resources boom but will be held back unless we can meet the requirement for additional skills our economy demands and ensure those skills are well used*[19]. Key issues in the Australian skills landscape include[20]:

- Projected demand for approximately 12 million additional qualifications in the next 15 years.
- *'Unacceptably low'* levels of language, literacy and numeracy.
- Poor workforce participation statistics.
- Skills shortages in skilled trade areas with some occupations requiring urgent intervention.
- Low productivity performance and low use of skills.

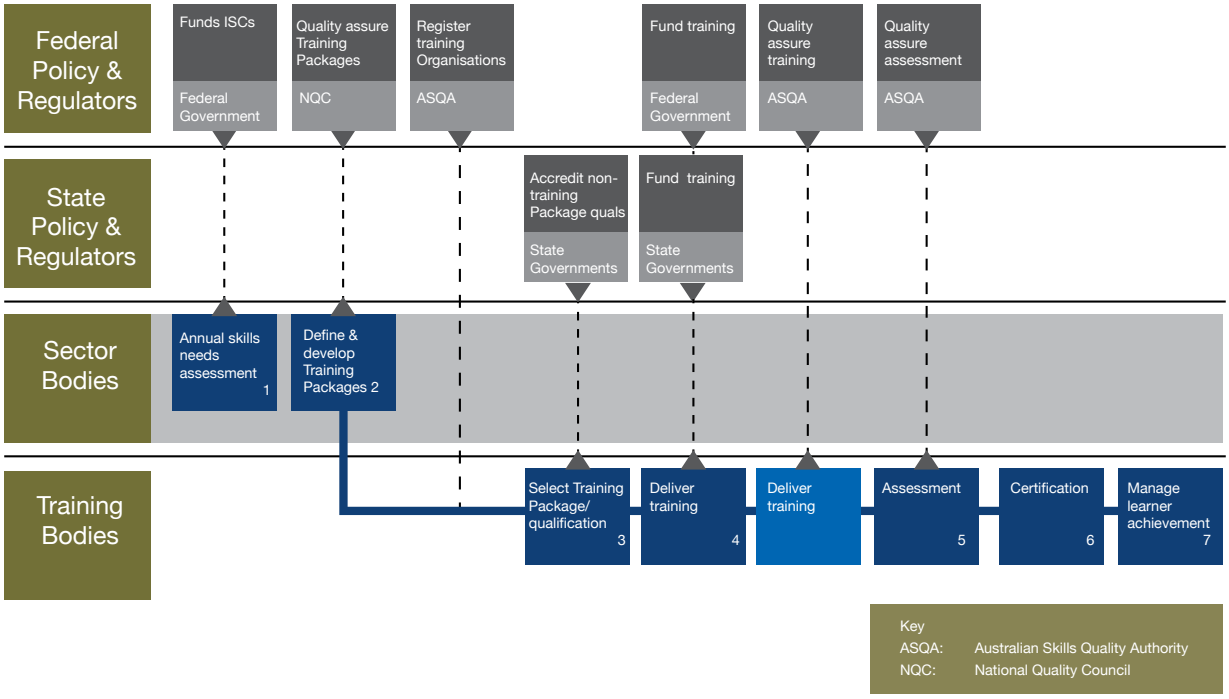
As a result, key skills priorities until 2020 include[21]:

- Moving to a learner-focused, enterprise-led system of funding; removing complex barriers to accessing funding and publicising opportunities for publicly subsidised learning. This also includes providing incentives to study in sectors which are experiencing particularly severe skills shortages.
- Promoting skills acquisition and use in enterprises, including the prioritisation of apprenticeships. Also includes the introduction of an 'Enterprise Skills Investment Fund'.
- Ensuring better learning pathways; and simplifying the system.

The review calls for an '*increased and sustained investment*' in vocational education and training, with an estimated requirement $310 million[22] per annum until 2020[23].

3.1.2 System Map

Figure 3.1.2 The Position of Sector Bodies in the Australian Skills Development System



19 http://www.skillsaustralia.gov.au/PDFs_RTFs/SkillsProsperityRoadmap.pdf
20 Ibid.
21 Ibid.
22 Rs.14.9 billion.
23 http://www.skillsaustralia.gov.au/PDFs_RTFs/SkillsProsperityRoadmap.pdf

3. Country Reports

3.1.3 Sector Bodies: Background

3.1.3.1 History

Australia's 11 Industry Skills Councils (ISCs) were introduced in 2004 to replace the existing 29 industry advisory bodies. This followed an independent review conducted by the **Allen Consulting Group**, which recommended smaller, more focused sectoral bodies[24]. A unique feature of Australia's sector bodies is that the ISCs strive to represent industry within the broader skills development system, rather than act as the employers' voice[25]. Seeking to provide information and advice on the nation's skills needs, they provide independent training advice directly to employers, offering training solutions and the necessary contacts.

One of six members[26] of the **International Network of Sector Skills Organisations** (INSSO), Australia's ISCs strive to share best practice internationally with other models, developing transnational occupational standards and collecting and sharing research, analysis and labour market intelligence[27] .

3.1.3.2 Structure and Funding

ISCs are funded by the Australian Federal Government and are registered as not-for-profit companies. Each ISC is governed by boards of directors from industry[28]. They work with industry, with state and territory governments and training organisations to ensure that relevant training products are developed according to industry needs. At state level, ISCs can be mirrored by smaller industry bodies. South Australia, for example, has nine Industry Skills Boards (ISBs)[29] which provide advisory services to local industry and employers[30] .

ISCs also charge users for the licences to use Training Packages (see Appendix 1) and to receive any related training or support material that falls under their remit. While there is no official evidence available, it is also possible that some ISCs perform consultancy services for international organisations or governments wishing to establish similar sectoral structures; the collaboration between the Construction and Property Skills Industry Skills Council and India may be an example[31].

24 http://www.aph.gov.au/senate/committee/eet_ctte/industry_skills_councils/report/c02.htm#anc1

25 http://www.ofsted.gov.uk/content/download/1522/10675/file/Aspects%20of%20vocational%20education%20and%20training%20in%20Australia%20(PDF%20format).pdf

26 Other members are Canada, the Netherlands, New Zealand, the UK and Pakistan.

27 http://www.aph.gov.au/senate/committee/eet_ctte/industry_skills_councils/report/c02.htm#anc1

28 http://www.serviceskills.com.au/about-iscs

29 Business Services; Electrotechnology, Energy and Water; Food, Tourism and Hospitality; Health and Community Services; Manufacturing; Primary Industries; Service Skills; Transport Distribution.

30 http://www.skills.sa.gov.au/Supportingbusinessandindustry/IndustrySkillsBoards/tabid/107/Default.aspx

31 http://chfinternationalindia.org/Upload/SkillFormation/2.Basab%20@%20CHF%20IIMB%20040211.pdf

3. Country Reports

3.1.3.3 Footprint

Table 3.1.3 Sector Bodies and their Footprint

Industry Skills Councils	Footprint
Service Skills Australia	Includes beauty, community pharmacy, floristry, funeral services, hairdressing, holiday parks and resorts, hospitality, retail, sport, fitness and recreation, and tourism. Seeks to develop *'a culture within the service industries which promotes and enhances the skills development of its workforce'*.
AgriFood Skills Australia	Covers rural industries, meat, seafood, racing and food processing, including wine, beverages and pharmaceuticals. Responsible for a sector that generates AUS200 billion[32] per year and employs approximately 880,000 workers.
Construction & Property Services Industry Skills Council (CPSISC)	Covers over 1.6 million workers in Australia. Previous projects include those focusing on alleviating high indigenous community unemployment.
Community Services & Health Industry Skills Council (CS&HISC)	Funded by the Commonwealth Government and accounts for 1.3 million workers, which is 8.6% more than 2009.
Manufacturing Skills Australia (MSA)	Addresses the skills of a workforce comprising over 1.1 million Australians in a broad range of manufacturing activities, from aerospace and automotive, to textiles and plastics.
Innovation & Business Skills Australia (IBSA)	Covers business services, cultural and creative industries, education and training, financial services, information and communications technology, telecommunications, and printing and graphic arts.
Government Skills Australia	Covers the skills required for government and the community safety sectors. These include water, correctional services, local government, public safety and the public sector.
Transport & Logistics Industry Skills Council Ltd	Covers those within a broad range of occupations in transport and logistics, including vehicle, train, aircraft and vessel crew, as well as those in engineering, infrastructure, tourism, hospitality, security, warehousing, administration and IT. The industry employs over 461,000, with small business accounting for 35% of that figure, and generates approximately 14% of GDP.
ForestWorks Learning and Skill Development	Covers industry relating to forest, wood, paper and timber products, such as forest growing and management, harvesting and haulage, and pulp and paper manufacturing. Also seeks to increase Aboriginal participation in the industry.
EE-OzTraining Standards	Responsible for 'ElectroComms and EnergyUtilities', which are those in electrotechnology, gas, instrumentation, lifts, renewable and sustainable energy, refrigeration and air conditioning, computer systems, information/data technology/communications, and the electricity supply industry which includes transmission, distribution and rail. This covers a workforce of approximately 539,000.
SkillsDMC	The National Industry Skills Council for the Resources and Infrastructure sectors, covering all those engaged in mining, drilling, quarrying and civil infrastructure.

32 Rs.9.6 trillion.

3. Country Reports

3.1.3.4 Operational Role

The formal roles of ISCs include[33]:

- Providing industry intelligence to Skills Australia, government and enterprises on skills development and workforce needs (Environmental Scans are performed each year, researching both the training sector and the labour market[34]).
- Supporting the development of high quality training provision through Training Packages.
- Providing independent advice and guidance on training to enterprises.
- Engaging with state and territory governments and advisory bodies on issues in their sector.

ISCs provide Training Packages relevant to the sector which they represent. They form part of the National Training Framework and are created by representatives of industry for industry, following wide consultation. Training Packages include competency standards, national qualifications and assessment guideline[35]. Having evolved somewhat since their inception, the ISCs also now play a greater role in policy formation, providing *'strategic advice and intelligence'* as well as *'workforce planning and development*[36]'.

In 2010, each ISC reported to the National Quality Council on their top priorities for the coming year. These included[37]:

- Articulation and integration of vocational and higher education.
- Implementing new Training Packages.
- Identifying and correcting systemic issues in the quality of their data.
- Promoting skills sets.
- Introducing Green Skills.
- Identifying skills needs for the ageing workforce.
- Promotion of vocational education and training pathways.
- Promotion of 'refresher' skills courses.
- Investigating alternative delivery methods.

3.1.3.5 Quality Assurance

Any changes to training packages are presented to the National Quality Council for approval and must demonstrate support from industry for the changes, as well as a transparent and rigorous consultation and validation process and clear consideration of the impacts of the changes[38].

Continuous Training Package development is expected annually of each ISC – information is based on the Environmental Scans. This enables training packages to be responsive to industry needs, and gives guidance to training providers as to how to improve the packages they offer. The process for approval of changes to Training Packages includes the following steps[39]:

- State and territory training authorities and the Department for Education, Employment and Workplace Relations (DEEWR) are briefed on the changes.
- National consultation.
- Changes are validated by industry.
- Stakeholders accept the final version.
- The National Quality Council endorses changes.

3.1.4 Sector Bodies: Performance and Issues

A 2010 Senate Committee Report into the performance of Industry Skills Councils heard evidence from industry, providers, government and ISCs themselves. The final report recommended that[40]:

- ISCs ensure that their focus is on strategy and oversight of Training Packages; product development and training delivery should be left to RTOs.
- The ISC CEO Forum develop a template for Environmental Scans, to ensure consistency and comparability across industries.

International replication

The Australian Industry Group, a peak industry association which represents 60,000 businesses, suggests that the ISC model is internationally recognised and respected, and likely to be replicated elsewhere[41]. The ISCs themselves note that the

33 http://www.isc.org.au/about.php
34 http://www.aph.gov.au/senate/committee/eet_ctte/industry_skills_councils/report/c02.htm#anc1
35 http://www.cpsisc.com.au/training/tp_what
36 http://www.aph.gov.au/senate/committee/eet_ctte/industry_skills_councils/report/c02.htm#anc1
37 http://www.nqc.tvetaustralia.com.au/__data/assets/pdf_file/0007/52945/Communique_-_2010_NQC_Priorities.pdf
38 http://www.aph.gov.au/senate/committee/eet_ctte/industry_skills_councils/report/c02.htm#anc1
39 http://www.isc.org.au/tp-plans.php
40 http://www.aph.gov.au/senate/committee/eet_ctte/industry_skills_councils/report/c02.htm#anc
41 Ibid.

3. Country Reports

2006 UK Leitch Review of Skills upheld the Australian model of sector bodies *'as a preferred method for establishing industry's qualifications*[42]'. More significantly, the Construction and Property Services Industry Skills Council (CPSISC) announced in 2010 that India has agreed to use the Australian ISC model upon which to base their new sector bodies approach[43].

According to Skills Australia, one of the major strengths of ISCs is the fact that, through them, industry and employers are an intrinsic part of the vocational education system; they note that the OECD has also identified the focus on employer engagement as a key strength of the Australian system overall[44].

Training Packages

The success of the Training Packages, developed and managed by the ISCs, is also evident, with over 1.1 million students enrolled in publicly funded qualifications (a 6.7% increase on the previous year)[45]. Criticisms of Training Packages, however, include the charge that they are becoming 'too complex, bulky and difficult to use'. To this end, ISCs are seeking to streamline their Training Packages, use simplified language and streamline content[46]. These changes should become visible over the course of 2011.

Industry experts and employers have also expressed concern that the sheer breadth of range that each ISC is expected to deliver Training Packages for means that the detail and quality of each Package is not sufficient to meet industry quality needs. In response to these criticisms, some ISCs have engaged specialist industry experts to oversee the development of Training Packages, to ensure that quality and relevance are addressed satisfactorily[47].

Software and training material publishers have criticised the charges that ISCs can apply on their Training Packages and materials, such as the 'online shop' on the Service Skills Industry Skills Council website, citing that it unfairly influences competition in the market. The response from DEEWR confirms that the charges that each ISC can choose to apply is for *'small cost recovery'* purposes only; they are not permitted to make profit from the sale of training materials (others have argued, however, that this distorts the market)[48].

Remit and knowledge

A recent inquiry into ISCs was published in March 2011. Overall, the findings were positive, suggesting that the ISC system was satisfactory and effective, but some issues were raised. Dr Robert Dalitz of the University of Western Australia suggested that common policy across all ISCs may be restrictive and therefore inappropriate, due to the varied environments in which they operate[49]. Their true value is seen to be their knowledge and their objectivity when engaging with a broad range of stakeholders, including employers, employee representatives and various industry sectors[50], which is unique to the ISCs.

According to Service Skills Australia, an important facet of ISCs is the ability to achieve agreement across stakeholder groups and industry sectors, as well as their *'systemic engagement at grassroots level'*. Their knowledge of vocational education policy and background also allows ISCs to understand and interpret industry needs into training outcomes[51]. Criticism of the ISC model, however, focuses on the common misunderstanding of their remit: that ISCs are a representation and amalgamation of the interests of a group of stakeholders, rather than *'the voice of industry'*. The distinction is important; ISCs are a mechanism with which to collate and promote the needs of industry and associated stakeholders, rather than acting as a direct channel for the expression of industry's interests[52].

State/federal divide

Responsibility for ensuring that RTOs adopt national training packages lies with each state and territory, rather than the ISCs themselves, which some argue hinders national recognition[53]. Tasmania benefits only from Skills DMC and ForestWorks, so complains of limited access to the benefits of the ISCs[54] .

Elsewhere, the problem is the reverse: the existence of local-level sector bodies, as in South Australia with their nine Industry Skills Bodies, can create overlap and confusion with the bodies at the national level. South Australian industry representatives have reported that the lack of coherence with national organisation of Industry Skills Councils (attributed to the failure of the national-level bodies to align their structure to those already existing at state levels) has created challenges in terms of reporting structures[55].

42 http://www.isc.org.au/pdf/training%20packages_a%20story%20less%20told%20FINAL.pdf
43 http://www.aph.gov.au/senate/committee/eet_ctte/industry_skills_councils/report/c02.htm#anc1
44 Ibid.
45 Ibid.
46 http://www.agrifoodskills.net.au/uploads/file/FINAL%202011%20Environmental%20Scan(1).pdf
47 http://www.aph.gov.au/senate/committee/eet_ctte/industry_skills_councils/report/c02.htm#anc1
48 Ibid.
49 Ibid.
50 Ibid.
51 Ibid.
52 Ibid.
53 Ibid.
54 Ibid.
55 Anecdotal; discussions held as part of consultations with the City & Guilds Centre for Skills Development in 2007.

3. Country Reports

Bureaucracy and cost

There also appears to be some conflict in terms of the role of the ISCs and the Australian Chamber of Commerce and Industry, as the latter is the *'voice of industry'* and the former an *'amalgamation of stakeholder interests'*[56], taking information from industry rather than representing it (similar issues were expressed by the Australian Automotive Industry Association and the Air Conditioning and Mechanical Contractors' Association[57]). Government Skills Australia argues that the link between industry and the ISCs is essential and that the *'voice of industry'* is heard through their Industry Advisory Committees, which is made up of industry representatives[58].

The National Quality Council (NQC) has been accused by the Australian Hotels Association and Restaurant and Catering Australia of providing excessive red tape when developing training packages, making them less relevant to industry[59]. ISCs frequently amend training packages in order to remain relevant to the industries they serve. This, however, can have a negative impact on even the larger RTOs, as maintaining up to date documentation can incur significant cost[60]. This might be remedied, it is suggested, by better coordination of updates across industry, reducing 'ad hoc' data collection[61].

3.1.5 Lessons for India

While Australia has a minute fraction of the population and scale of India, it can also be viewed as a microcosm due to its strong federal/state system, the organisation of which can hold valuable, scalable lessons.

3.1.5.1 Structure

- India has the advantage of designing a system from scratch, thereby avoiding the issue in Australia with the reorganisation of national level ISCs and the resulting lack of compatibility with existing state level bodies.
- A serious potential issue is the lack of adherence by state level authorities to federal quality guidelines and the complexity of bureaucracy. If the federal ISC macro structure in India is agreed by federal and state authorities alike, a micro structure can be replicated at state level. This will ensure that reporting lines are vertical from state to federal level, and not impeded by state level policy.
- The rationalisation of Australia's ISCs from 29 to 11 had serious consequences for resourcing and quality; the breadth of responsibility made it difficult for the ISCs to reach local industry level. By creating a broad set of SSCs horizontally at federal level, and then creating a deep vertical structure by creating SSC bodies at regional, state and local levels, this may be averted.

3.1.5.2 Operations

- Like the ISCs in Australia, Sector Skills Councils in India will be best placed to ascertain the training needs and capacity of local and regional industry sectors. The publication of Environmental Scans, written to a set template and so ensuring comparability, will enable clearer and more responsive skills and training policies to be created.
- Training Packages are costly to develop, but the concept is valuable; by wrapping competencies, standards, assessment guidelines and materials together, quality is more readily assured. Implementation in India, with its multitude of stakeholders and policy actors, may prove difficult, however.

3.1.5.3 Funding

- Federal funding, as with Australian ISCs, is advisable, as is the restriction of sector bodies from achieving income through selling qualifications or standards. If the latter were permitted to happen in India, there would be a serious risk of diluting quality standards by removing the separation between quality assurance and profit motive.

3.1.5.4 Quality Assurance

- The guardianship of Training Packages sits well with the ISCs in the Australian context; it ensures that qualifications are industry-focused and it also ensures that there is sufficient flexibility in the system to introduce changes as and when required.
- The National Quality Council (soon to be National Standards Council) is a strong model for quality protection; the direct relationship between the NQC and ISCs ensures that policies are developed and implemented swiftly. The close working relationship also ensures that changes to qualifications are authorised swiftly and without excessive bureaucracy.

56 http://www.aph.gov.au/senate/committee/eet_ctte/industry_skills_councils/report/c02.htm#anc1
57 Ibid.
58 Ibid.
59 http://www.aph.gov.au/senate/committee/eet_ctte/industry_skills_councils/report/c02.htm#anc1
60 Ibid.
61 Ibid.

Sector Bodies in Canada

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3.2 Sector Bodies in Canada

3.2.1 Introduction

A 2003 Memorandum of Understanding between Industry Canada, Human Resources Development Canada and the Social Sciences and Humanities Research Council saw the creation of the Skills Research Initiative. This initiative addressed four themes at the forefront of skills and workforce development policy in Canada[62]:

- *Labour market and skills implications of population ageing in Canada.* Responding to increasing concern regarding the ageing workforce and its likely impact on the supply of skills, this research examined existing barriers to the workforce participation of older workers.
- *International mobility of highly skilled workers.* This research examined the implications for Canada's skills supply of imported skills, which are often seen as a means of offsetting an ageing workforce.
- *Employer-supported training in Canada.* This research looked at the relative lack (compared to other markets) of employer-supported training in Canada, seeking to identify its causes and assess the possible impact of apprenticeships as a means of filling this gap (apprenticeships are currently in decline, suffering low completion rates and recruitment).
- *Adjustments in markets for skilled workers in Canada.* Examining how effectively the post secondary educational system responds to shifts in skills demand, how rapidly adjustments occur and whether or not information from the labour market can facilitate the adjustment process.

With responsibility for workforce and skills development resting with provincial governments, strategies differ across Canada. In Alberta, for example, sector-specific workforce strategies were developed between 2006 and 2009 to help avert a potential skills crisis, using the themes of ***Inform-Attract-Develop-Retain***[63]. Industry Contributor Groups were developed to implement the strategies in each sector, backed by the Government of Alberta. Common challenges described by the Industry Contributor Groups include labour force data that is incomplete or irrelevant, low public awareness of the sector and the need to reduce inefficiencies. Initiatives proposed to address the challenges include presence at careers fairs to promote sectors, innovations in disseminating labour force data and partnerships with education institutions to deliver training[64].

62 http://www.ic.gc.ca/eic/site/eas-aes.nsf/vwapj/SRIsr01.pdf/$FILE/SRIsr01.pdf
63 http://www.employment.alberta.ca/documents/WIA/WIA-BETW-industry-strategies.pdf
64 Ibid.

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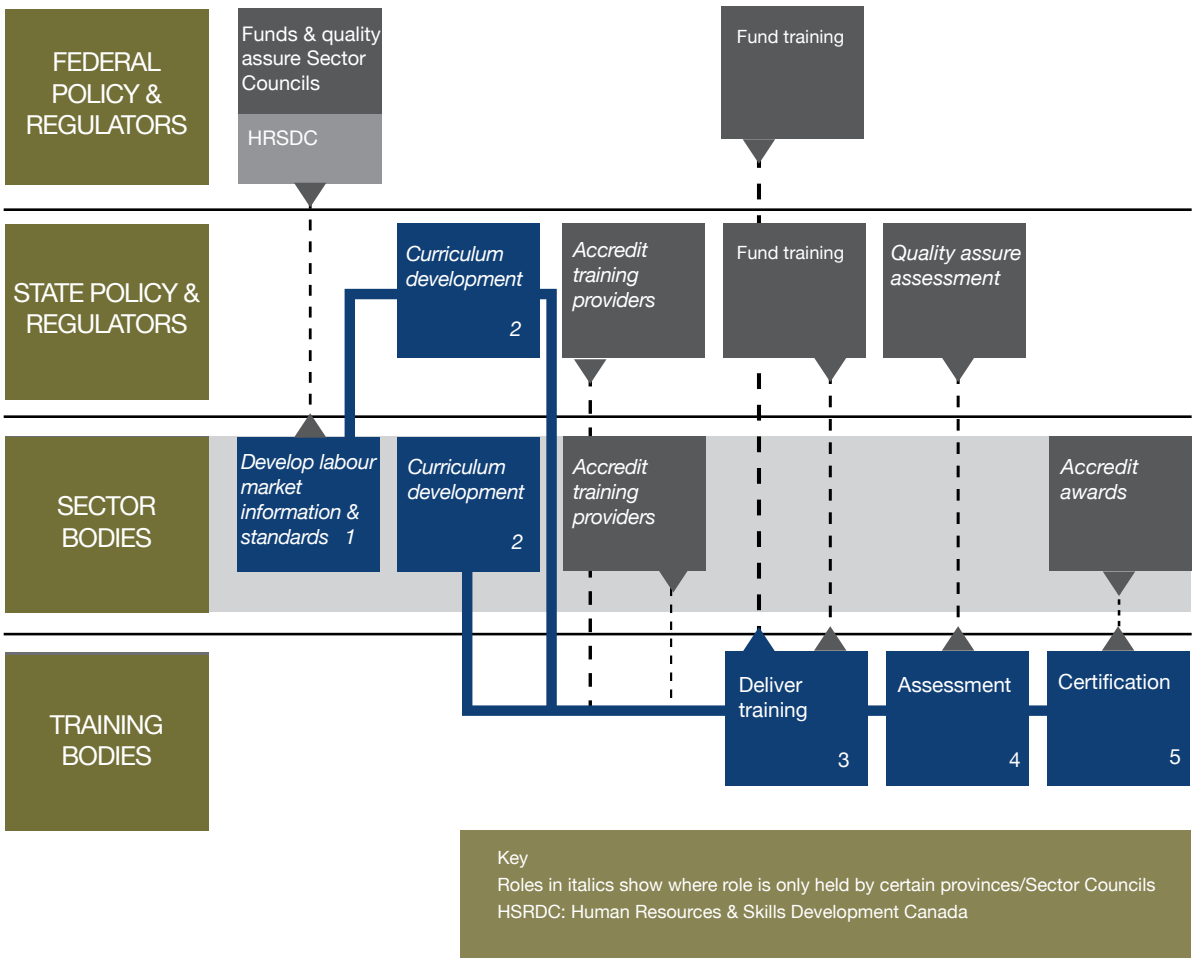
3.2.2 System Map

Figure 3.2.2 The Position of Sector Bodies in the Canadian Skills Development System



3.2.3 Sector Bodies: Background

3.2.3.1 History

Canada's sectoral approach was precipitated by a sharp decline in the country's metalworking industry in the late 1980s and early 1990s. A Sector Council was formed to unite the range of stakeholder groups in order to discuss openly possible solutions to the industry's skills crisis[65]. This model was then rolled out to other industry sectors and the Sector Council Programme (SCP) is now made up of 34 national sectoral councils.

The typical development sequence in the creation of Sector Councils has been the conduct of a sector study, the formation of a Sector Council, the development of Occupational Standards, the production of career information, the implementation of outreach activities, the creation of curriculum and training tools (including, sometimes, certification) and the continuous updating of sector studies (e.g. labour market information)[66]. The Councils themselves have, however, evolved according to the industry landscape; each Council delivers different activities, according to industry needs. Additional streams of income also vary; the Hospitality Sector Council, for example, sells its standards and training packages to overseas buyers.

3.2.3.2 Structure and Funding

The Sector Council Programme, established in the 1980s, now sits within the remit of Human Resources and Skills Development Canada (HRSDC), the federal government department responsible for skills[67]. This gives the skills

65 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf
66 http://www.natcon.org/archive/natcon/presentations/presentations2007/A4_Sector_Council_Research_Doug_Watt_Workshop.pdf
67 Department of Indian and Northern Affairs is responsible for the education of indigenous people (referred to as First Nations).

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development system sufficient flexibility to adapt to social, political and economic change[68]. The tripartite nature of the Canadian skills system is also evident in the sector skills system: it is mandatory for Sector Councils to have equal representation from all stakeholders[69].

The Sector Council Program (SCP) is made up of 34 national sectoral councils; **the Alliance of Sector Councils** is the umbrella body for all Sector Councils. Sector (or Skills) Tables, also seeking to identify workforce needs and identify solutions to Canada's key challenges, have a regional focus, are established on a short term basis, and cover more than one sector. There is currently only one Skills Table in Canada, the Asia Pacific Gateway Skills Table.

Some provinces, such as Manitoba, have their own local industry sector associations. The Alliance of Manitoba Sector Councils represents 18 such industry associations, aiming to foster cross-sectoral collaboration and economic development[70].

The process of setting up a Sector Council requires industry feedback initially, support and commitment from key stakeholders and, with the assistance of a committee of stakeholders, a feasibility study which examines the purpose of the proposed sector body and establishes the need for it[71]. Each Sector Council must then produce and strive to adhere to a five-year plan, with business and strategic plans updated annually[72]. Sector Council boards are elected by industry and must represent the key stakeholder groups, including business, education, labour and any groups specific to the industry which they represent[73].

Initially, the concept of Sector Councils required that they become self-sufficient within five years of operation; industry was intended to fund the Councils wholly. The funding, initially 100% supplied by the Sector Council Program, would be progressively reduced and the gap supplemented by industry. Over time, however, HRSDC recognised the potential problems in this approach (not least of which, the loss of control by policy makers), and cancelled this requirement[74].

Sector Councils currently receive core funding for overheads, including staff and operation costs, and project-specific funding for federal initiatives. These project-specific costs are additional, and funding supports federal policy initiatives to develop the skills sector. Proposals for this type of funding are submitted to HRSDC and are considered against the current policy priorities. Some Sector Councils criticise excessive delays in considering applications[75].

Québec: A different approach

Québec has its own unique sectoral and training system within its provincial government, with a more European influence than the rest of the country. The sectoral policy was developed by Emploi Québec, a provincial workforce development body, as well as employers and social partners. It seeks to increase skills training rates and the participation of employers in the region and has resulted in the creation of 26 Comités Sectoriels (provincial sector committees)[76].

In 1995 Québec introduced a training levy, which was intended to cover workplace training and assist adaption training (such as for those changing sectors). Until 2004, this was levied on all public and private companies with an annual wage bill exceeding $250,000[77], and at least 1% of their wage bill was to be invested in training. Since then, organisations with a wage bill of less than $1 million[78] have no longer been liable to pay the charge, reducing the number of organisations eligible to pay by more than half, from 25,300 to 10,300[79].

The range of activities for which organisations may claim under the training levy is wide, including apprenticeships and work placements, maintaining training facilities and compensating staff for the time spent training. This has meant that some companies have ceased viewing the levy as a tax, as the activities for which they are claiming are activities that they would normally need to pay for as a business anyway. Companies can also apply for additional funding from the Québec training fund, into which is paid the 1% levy from all eligible organisations. Organisations either pay the entire 1% levy, or the difference between 1% and that which has already been spent on relevant training activities. A tax credit is available to companies not eligible to pay the levy, in order to encourage them to deliver training to their employees[80].

This scheme had a significant impact: between 1996 and 1998, 74% of companies eligible for the levy invested more than the compulsory 1% in training. One of the key criticisms of the levy, however, is that some smaller and non-training organisations view the levy as a way in which to avoid having to train by paying[81].

68 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf
69 Ibid.
70 http://www.amsc.mb.ca/wp/about-2/
71 http://www.hrsdc.gc.ca/eng/workplaceskills/sector_councils/faq.shtml
72 Ibid.
73 Ibid.
74 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf
75 Ibid.
76 Ibid.
77 Rs.1.16 crore.
78 Rs.4.66 crore
79 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf
80 Ibid.
81 Ibid.

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3.2.3.3 Footprint

There are currently 34 Sector Councils and one Sector Table. In 2006, the Sector Councils covered 25% of the Canadian workforce; their ambition was to increase coverage to 50% by the end of 2007[82].

Table 3.2.3 Sector Bodies and their Footprint

Sector Council	Footprint
Aboriginal Human Resource Council	Indigenous population.
Apparel Human Resources Council	Apparel manufacturing.
BioTalent Canada	Agriculture, aquaculture, bioenergy, bioinformatics, bioproducts, biosciences, environment, food processing, forestry, genomics, human and animal health, industrial, life sciences, medical devices, natural resources, nanotechnology, nutraceuticals, pharmaceutical.
Canadian Agricultural Human Resource Council	Agriculture business.
Canadian Apprenticeship Forum	Apprentices. E.g. Plumbing, mechanics, hairdressing, welding.
Canadian Automotive Repair and Service Council	Automotive repair and service industry.
Canadian Council for Aviation and Aerospace	Aviation and aerospace, aircraft maintenance, aerospace manufacturing, fixed-wing and helicopter companies, airlines, airports and professional pilots.
Canadian Council of Professional Fish Harvesters	Fish harvesting.
Canadian Grocery HR Council	Food retail and wholesale.
Canadian Plastics Sector Council	Plastics processing.
Canadian Printing Industries Sector Council	Printing and graphic communications.
Canadian Steel Trade and Employment Congress	Steel industry.
Canadian Supply Chain Sector Council	Supply chain.
Canadian Tourism Human Resource Council	Tourism business and tourism related occupations.
Canadian Trucking Human Resources Council	Trucking.
Child Care Human Resources Sector Council	Child care, including nurseries, preschools and post secondary institutions.
Construction Sector Council	Construction.
Contact Centre Canada	Customer contact centres.
Council for Automotive Human Resources	Automotive manufacturing industry.
Cultural Human Resources Council	Cultural industries and arts, such as live performing arts, writing and publishing, visual arts and crafts, television and broadcasting, digital media, music and sound recording, and heritage.
Environmental Careers Organization of Canada	Environmental sector, including environmental protection, conservation and preservation of natural resources, environmental sustainability.
Electricity Sector Council	Electricity industry.

82 Ibid.

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Sector Council	Footprint
Food Processing HR Council	Food processing and manufacturing.
Forest Products Sector Council	Forest management and forest products manufacturing.
Forum for International Trade Training	International trade.
HR Council for the Nonprofit Sector	Non profit sector, including community-based health initiatives, immigrant settlement programmes, aboriginal friendship centres, youth groups, religious charities, food banks and shelters, violence prevention programmes, disability charities, drop-in centres, environmental organizations, (e.g. carbon reduction initiatives), etc.
Information and Communications Technology Council	Information and communications technology.
Installation, Maintenance and Repair Sector Counci	Consumer electronics and appliance service industry.
Mining Industry Human Resources Council	Mining industry.
Motor Carrier Passenger Council of Canada (BUS)	Motor carrier passenger industry, including public transport and inter-city buses. Includes tour and charter bus services as well as school buses.
Petroleum Human Resources Council of Canada	Exploration, development, production, service industries, pipeline transmission, gas processing and mining, extracting and upgrading heavy oil and bitumen.
Police Sector Council	Policing.
Textiles Human Resources Council	Textile industry.
Wood Manufacturing Council	Wood manufacturing industry (includes furniture, cabinets, windows and doors, millwork and building components).
Asia-Pacific Gateway Skills Table	(Canada's first, and currently only, skills table. Funded by the Sector Council Programme.) Infrastructure supporting the trade corridors between Canada and Asia Pacific.

3.2.3.4 Operational Role

Sector Councils have a national focus and are developed to be long-term solutions. Sector Tables, similar to Councils, have a regional remit but are formed on a short-term basis (3-5 years); they are cross-sectoral and *'co-ordinate decision-making and action to address labour market requirements and skills gaps in priority sub-sectors'*[83].

Sector Councils are responsible for providing labour market information to assist businesses in their planning and projects; developing National Occupation Standards to facilitate labour mobility and assist with the development of curriculum; undertaking skills development projects, particularly for reasons of inclusivity of minority groups; ensuring that curricula meet industry requirements; developing alternative learning methods, such as e-learning; and developing tools for training foreign workers[84]. They are also working to address eight priority issues:

- *Aboriginal Engagement.* Coinciding with Canada's imminent skills shortage is an Aboriginal baby boom. Unemployment levels within the community are almost three times that of the Canadian average[85]. Tapping into this potential workforce is seen to be one possible solution, or part solution, to the national skills shortage. This falls within the remit of the **Aboriginal Human Resource Council** (AHRC).
- *Career Resources.* Many Sector Councils provide information on their relevant sectors, including possible opportunities within the sector, working conditions and the required skills and training.
- *Education.* Sector Councils are working to build relationships with all institutions within the K-12 and post-secondary education sectors. In Toronto, by example, the industry experience has been placed within school programmes. In community colleges and polytechnics the Sector Councils contribute to curriculum development, and in universities they also accredit post-secondary programmes, and conduct research on human resource issues.
- *Internationally Trained Workers.* TASC estimates that 30% of Canada's highly skilled immigrants are unable to integrate effectively into the economy and into local communities,

83 http://www.hrsdc.gc.ca/eng/workplaceskills/sector_councils/faq.shtml
84 Ibid.
85 http://www.councils.org/our-priorities/overview/

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and therefore leave. This pattern is worsening, rather than easing. A number of factors are blamed, which include: a lack of preparation before entering Canada; substandard language proficiency; insufficient relevant work experience; lack of recognition of previous experience and qualifications[86]; and an insufficient, in-country support network. A number of Sector Councils are implementing programmes[87] specifically to promote immigrant integration into the Canadian labour market.

- *Labour Market Information.* This is the provision of research of the factors likely to impact the labour market, the three main components of which are: the demand side (jobs available), the supply side (available workers) and forces affecting the market (such as regulation and legislation). This information is provided at local, regional, provincial, national and international level and collected and disseminated by Sector Councils.
- *Manufacturing.* Currently experiencing significant pressure because of globalisation, technological change, increasingly early workforce retirement, a less attractive career to new market entrants, changing skills requirements, and the global financial crisis, this sector needs to work to remain competitive and continue to contribute effectively to Canada's economy[88]. A Manufacturing Caucus on Labour Market Solutions has been created to assist the various Sector Councils[89] in addressing this issue, and is seeking to develop relationships with the Canadian Manufacturers and Exporters and Industry Canada.
- *Occupational Standards and Certification.* Because labour mobility is of particular importance in Canada, it is considered important to recognise transferable skills which can be applied in different sectors or roles.
- *Workplace Learning.* Sector Councils assist in the development of worker training programmes. These are often adapted from organisation to organisation and by educational institutions. The Apparel Human Resources Council's benchmarking report and toolkit, Management Competencies, for example, is credited with the creation or saving of 5,000 jobs within the sector[90].

The objective of skills councils has changed with improved economic conditions in Canada. The current focus is on skills development for young people, creating new industries and enhancing co-operation between existing industries[91]. Despite nationally set responsibilities, different Sector Councils undertake different activities; the structure and work of Sector Councils is not definitively prescribed. Some facilitate apprenticeships, undertake certification, develop skills standards and provide careers guidance. Some also provide labour market information and research services[92].

In effect, Sector Councils also provide essential leverage for the Federal Government to influence the provincial education and training policy. This occurs in two ways: firstly, because the Sector Councils are communication channels from federal to provincial level, and secondly, because of the influence they yield - the Sector Council Program and sector bodies are national, but their work is on a provincial level[93]. The Councils also communicate with the provincial colleges with regard to sectoral needs[94]. Therefore while the Sector Councils are national bodies, their impact at a more regional level is significant, helping to ensure that local and regional skills supply meets demand.

Sector Council Examples

Canadian Council for Aviation and Aerospace (CCAA)

The CCAA has been operational since 1988, when it was established in response to a severe skills shortage in the sector. It is a not for profit corporation with a Board of Directors, receiving funding from HRSDC through its Sector Council Programme. CCAA has two areas of focus: skills development and industry demographics.

Its work in skills development includes:

- The development of National Occupational Standards; 26 have been developed to date in licensed and unlicensed trades. The Standards are developed in conjunction with industry experts.
- Providing certification according to the relevant National Occupational Standards. Certification may arise following training at an accredited college, completing a CCAA logbook, on the job experience or an exam.
- Developing curricula, based on National Occupational Standards, for training organisations. CCAA works with industry leaders and the National Training Association to ensure that its curricula are fit for purpose. It has developed 11 sets of curricula to date.
- Providing accreditation to training organisations to meet national standards for delivery. CCAA has accredited 46 programmes in 23 institutions across Canada. The CCAA has its own Accreditation Board.

86 This is often referred to as 'Foreign Credential Recognition'.

87 E.g. http://www.biotalent.ca/default_e.asp?id=79

88 http://www.councils.org/our-priorities/manufacturing/

89 Sector Councils active in this caucus are: Apparel Human Resources Council, BioTalent Canada (the Executive Director of which co-chairs the caucus), Canadian Plastics Sector Council, Canadian Printing Industries Sector Council, Canadian Steel Trade and Employment Congress, Canadian Supply Chain Sector Council, Council for Automotive Human Resources (the Executive Director of which co-chairs the caucus), Electricity Sector Council, Forest Products Sector Council, Forum for International Trade Training, Information and Communications Technology Council, Petroleum Human Resources Council of Canada, Textiles Human Resources Council and Wood Manufacturing Council.

90 http://www.councils.org/our-priorities/workplace-learning/

91 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf

92 Ibid.

93 Ibid.

94 Ibid.

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- Delivering training workshops.

Its work in sector demographics includes:

- Conducting research on key issues in the sector.
- Developing a Labour Market Information System, which gathers data on the sector and reports on trends.

Canadian Tourism Human Resource Council (CTHRC)

The CTHRC has set skill and knowledge standards for over 50 tourism-related occupations. Through the certification programmes that CTHRC operates in conjunction with regional partners across Canada, tourism workers can now become professionally certified in over 30 different occupations. CTHRC is responsible for producing occupation-specific training manuals and toolkits for businesses and individuals. It also provides labour market analysis information to the sector[95].

In 2009/10, CTHRC launched three new initiatives designed to counteract the predicted labour shortage by attracting new workers. These include:

- Canadian Workplace Essentials: a programme designed to train new workers in the basic employability skills needed to gain entry-level positions.
- Good Employer Practices: a peer mentoring tool assisting employers to identify and implement areas of good practice, for example the introduction of diversity policies.
- Qualifications Frameworks: developed by CTHRC to show clear pathways and progression routes in professional qualifications in the sector. To date, frameworks have been developed for the Culinary, Food and Beverage, and Hospitality sub-sectors.

3.2.3.5 Quality Assurance

Quality assurance of the Sector Councils is generally managed by the HRSDC, which also manages their federal funding. Some Sector Councils, such as the CCAA, also work with external curriculum and training bodies like the National Training Association. In order to assist with standards setting, certification and accreditation, the Alliance of Sector Councils has collaborated with the Canadian Standards Association (TCSA) to produce guidelines for sector councils and promote collaboration between the various stakeholder groups concerned[96].

3.2.4 Sector Bodies: Performance and Issues

Stakeholder Co-operation

Initially created to address immediate problems facing Canada's declining sectors, the sector bodies have adapted according to changing industry needs and now develop longer term strategies and policies, demonstrating the flexibility of their model. G.S. Lowe's report of the National Roundtable on Learning applauds the sector councils for their successful and significant stakeholder co-operation.

As part of the Conference Board's research for HRSDC, recommendations for increasing the remit and effectiveness of Sector Councils included the introduction of cross-sectoral skills bodies, focusing on issues such as certification, labour force migration and good practice; developing formal relationships with colleges was also cited as a means of improving Sector Councils' role in the formal learning system, particularly in terms of recognition and standards[97].

The relationship between Sector Councils and regional bodies has also been criticised as *'not being as collaborative and effective as it could be'*; in some cases Sector Bodies overlapped with existing regional sector bodies, which has created resentment and an ineffective working relationship[98]. Successful relationships between Sector Councils and regional stakeholders, however, are noted as having a significant impact; regional bodies and stakeholders can align their local interests with national policy and also communicate their needs effectively at a national level[99].

Federal Structure

The two-layer approach of Canadian governance makes it challenging for the Sector Council Program to exist at a national level and also have relevance and impact at a regional and local layer. There may also be duplication across some state policy and training initiatives as a result of working in silos, and there are no inter-regional equivalences for qualifications and competencies[100]. Solutions to combat the divide have been the introduction of provincial Sector Council associations, which work cross-sectorally at a regional level to promote skills development. The challenge with this approach is the potential duplication of effort; Emploi-Quebec, the organisation responsible for managing labour force development, has established 30 sector bodies of its own[101].

A criticism of Sector Councils is that often the civil servants involved in completing the feasibility study end up working within the organisation after establishment. Some critics argue that this, in effect, makes the Sector Councils Program a quasi-governmental body, particularly in cases when the federal Government needs to have an input into industrial and sectoral matters[102].

95 http://cthrc.ca/en/~/media/Files/CTHRC/Home/about_cthrc/CTHRC_Annual_Report_EN.ashx
96 http://www.councils.org/our-priorities/occupational-standards-and-certification/
97 http://www.conferenceboard.ca/Libraries/EDUC_PUBLIC/E-IssueStatement3.sflb
98 Ibid.
99 Ibid.
100 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf
101 http://www3.mels.gouv.qc.ca/fpt/Bibliotheque/17-9828A.pdf
102 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf

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The Conference Board of Canada also notes the challenges inherent in the federal/provincial governance divide, commenting that *'the federal government needs to contribute without dominating, support without directing, influence without interfering'*[103]. It recommends expanding the Sector Council role within a more decentralised structure, building regional delivery frameworks (e.g. those which interconnect several Sector Councils) into national structures, and building better links with regional development strategies[104]. Canada's Sector Councils require significant resources to build links with their dispersed stakeholders because of the two-tier governance structure. Where there are insufficient resources, uncoordinated duplication often occurs[105].

Funding

Due to the often-changing priorities of the federal Government, many Sector Councils complain of a slow response to funding requests. Some Sector Councils have established fundraising functions to supplement their income. This can include additional services such as research and consultancy. Core funding itself is minimal, and can barely provide for basic office functions. Project-specific funding may be ineffective, as it relies on existing resources and staff, who are overstretched due to a lack of core funding. The inability to take on additional staff lies in the uncertainty of project-specific funding, thus perpetuating the ongoing lack of funds. Furthermore, there are often discrepancies between what the federal Government might consider urgent and that which industry itself sees as priority[106].

In principle the dual funding mechanism is equitable and ensures Sector Council operational security and independence, as well as ensuring that federal imperatives are considered. In practice, however, it has not been as successful as anticipated. Minimal core funding means that Sector Councils are often not able to consider undertaking additional projects, even where they are funded. Growth in Sector Councils is also variable – downsizing can occur swiftly if further projects are not funded[107]. There are also reported discrepancies between the priorities of the federal Government and local employers[108].

Quality and Reporting

The Sector Councils have collaborated on the development of voluntary guidelines on National Occupational Standards, certification programmes and accreditation. These were developed to *'maximise efficiency, minimise cost, and optimise the benefits of a harmonised system, without constraining creativity or effectiveness'*[109].

While Sector Councils develop National Occupational Standards and assist with the development of curricula and accreditation, there is no formal role which they are mandated to play in the quality assurance of qualifications. Suggestions for improving Sector Councils' role in the process include the introduction of audit systems to assess the ways in which private trainers deliver qualifications on behalf of Sector Councils and employers. The audit systems introduced could become a formal mandate of Sector Councils, under their remit of improving skills delivery, and could form the basis of an improved and expanded accreditation system[110]. Quality assurance has been challenging in Canada; Ashton (2006) states that this *'overly bureaucratic and complex system…. attempts to monitor both activities and outcomes…[and] can lead to a diversion of staff activities and be counterproductive'*.

It is also noted that Sector Councils may not report sufficiently on their results, particularly their successes and outcomes at each regional level. By introducing reporting and assessment mechanisms, the impact of Sector Council work on a region-by-region basis can be assessed and benchmarked against national priorities[111].

3.2.5 Lessons for India

3.2.5.1 Structure

- The divide between federal and provincial governments creates significant challenges for sector bodies, which are expected to span the country at a federal level, but also effect real change on a regional and local basis. In situations where regional industry bodies already existed, national-level sector bodies were transplanted above them without reference for any overlap in responsibility or activity; the result was resentment.
- India is fortunate to be developing an entirely new system; it can develop all layers of sector bodies (national, state and local) simultaneously and ensure that each level has a solid understanding of their remit, their reporting responsibilities, and the activities they will undertake to ensure the whole delivery of their objectives.
- By developing a deep, vertical system, India will be able to ensure an upwards flow of sector information from local and state level up to federal level; conversely, any policy directions from federal level can cascade clearly to grassroots level.

103 http://www.conferenceboard.ca/Libraries/EDUC_PUBLIC/E-IssueStatement2.sflb
104 Ibid.
105 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf
106 Ibid.
107 Ibid.
108 Ibid.
109 http://www.unevoc.unesco.org/e-forum/Setting-the-Standard-EN.pdf
110 http://www.conferenceboard.ca/Libraries/EDUC_PUBLIC/E-IssueStatement3.sflb
111 Ibid.

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- India can also ensure that horizontal channels are open at each level: local sector chapters can liaise together to share good practice and general education and skills development information; state level and federal bodies can have regular discourse also to do the same.

3.2.5.2 Operations

- The remit for Sector Councils is vague; it allows the interpretation of activities according to the central themes of co-operation amongst stakeholders and promoting skills and workforce development. In some cases this has been exploited successfully (as in Canadian Council for Aviation and Aerospace); in others this has meant that expansion has been less productive.
- The differences in responsibilities and activities between Sector Councils is immense. Some award certificates and accredit institutions; others are extremely active in ensuring that the National Occupation Standards they create are utilised nationally in that sector. With such different remits, there can be no meaningful comparison between industry achievements and growth; there can also be little meaningful transmission of good practice.
- The lack of transparency in terms of Sector Councils' regional operations (and local chapters/industry bodies) is a significant challenge in terms of collating information and gauging good practice and progress. It is also difficult to understand the actual responsibilities in terms of delivering skills development programmes and the different quality systems that are in place.
- India should work to ensure that the remit of sector bodies and industry bodies at all levels is coherent and clear; Canada's experience suggests the need for balance between being industry-driven and setting clarity of function to avoid duplication of effort and, equally, other areas being ignored completely. Any amendments to sector body remits should be discussed and approved by the managing body at federal level, as the repercussions to other sector bodies must be considered.
- India should also focus on transparency and reporting mechanisms, so that the information gathered by sector bodies is used for the advantage of all sectors and industry bodies, as well as employers.
- Performance measurement and quality assurance mechanisms should not be overly onerous.

3.2.5.3 Funding

- Funding above the minimal statutory amount is contingent on applications for federally-sanctioned projects; there is no financial incentive for achieving set measures in terms of skills development in the sector.
- Making sector bodies compete for funding may detract from the focus of their work on a national scale; it may also stop them sharing best practice and forming collaborative partnerships.
- Criticisms of funding structures in Canada indicate that the standard operational funding for sector bodies is minimal; additional funding for growth, therefore, is only available by applying for federally-sanctioned projects, which may have aims counterproductive or competing with those of regional partners or industry bodies. By making sector bodies choose the possibility of funding over prioritising regional and sectoral needs, the federal Government may be undermining its own strategies for skills development and sector co-operation.
- The practice of providing funding contingent on federally-prioritised projects could prove detrimental to the development of Sector Councils in India, by drawing focus away from their remit and responsibilities to skills development. The benefit of this practice in Canada – ensuring that federal priorities are undertaken – may be possible in India without needing this practice at all; strong federal/state links and equal representation from government and industry may suffice.
- The success of Quebec in charging a training levy may not be suitable for India, with its high rate of employment in the informal sector and lack of workplace training. A charge levied upon foreign or large employers, however, may provide significant funding in some key sectors.

3.2.5.4 Quality Assurance

- The lack of compulsory quality systems (standards, certification and accreditation) is a serious challenge to creating labour mobility and transferable skills at a national level. The ability of Sector Councils to set standards, certify individuals and accredit institutions without reference to a nationally agreed set of quality criteria is highly risky; equally risky is the fact that Sector Councils have no authority to impose National Occupation Standards, and sector focused accreditation and certification systems, upon provincial governments and skills delivery bodies. Instead, buy-in is presumed through stakeholder collaboration; there is no means of compelling their compliance with agreed standards. Where quality assurance mechanisms do exist, they can be bureaucratic and time-consuming.
- Equally, there are no quality checks performed upon Sector Councils themselves, apart from normal reporting mechanisms to the Sector Council Programme and the HRSDC.
- India may also choose to utilise a council of governing ministers at provincial level to agree on standards and quality procedures; in Canada the Council for Ministers of Education performs an assessment duty on standards pan-Canada, but only for primary and secondary education levels.

Sector Bodies in England

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3.3 Sector Bodies in England

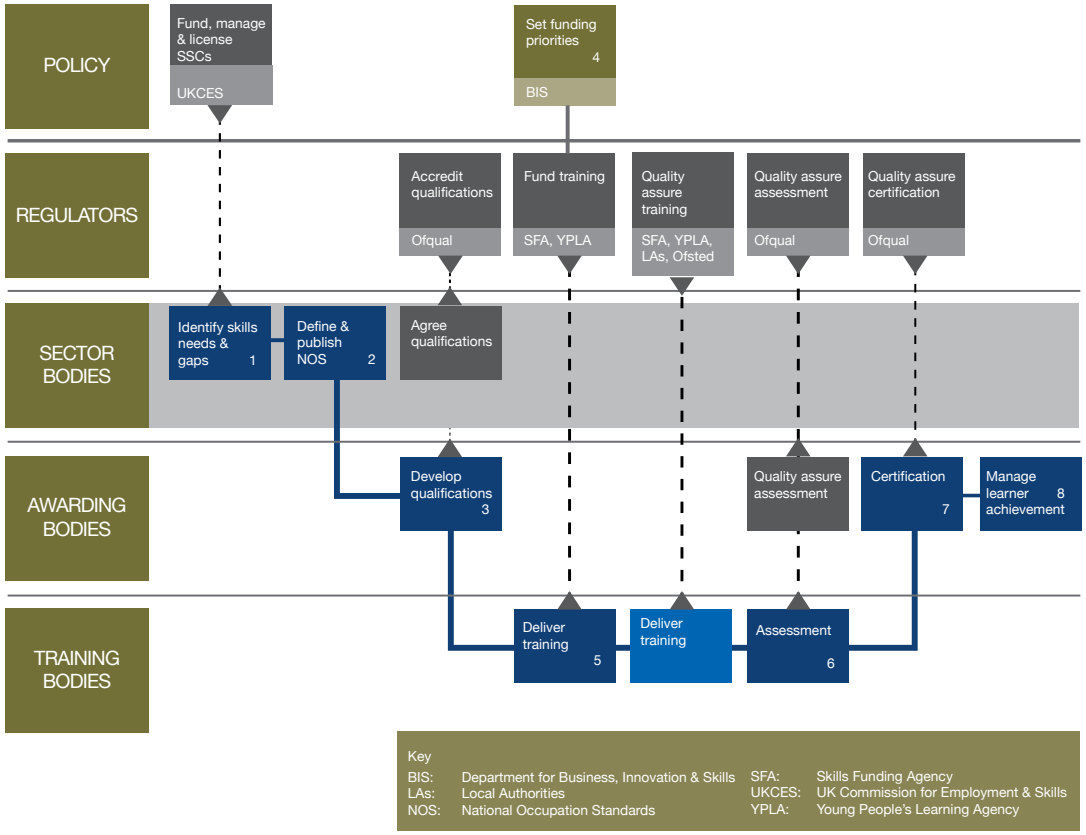
3.3.1 Introduction

Skills development policy in England is operating in the context of greater decentralisation and local delivery of services, stringent funding cuts and a continuing focus on being 'demand-led'. The Coalition Government also plans to redirect money from Train to Gain, a programme which delivered fully and partially funded training to employers at specified levels, into apprenticeships[112]. Licence to practise, or the development of professional standards which require specified competencies (demonstrated by qualifications), is likely to receive growing attention in coming years[113].

The previous Labour Government chose to focus on standards and inclusion. The goal of raising standards was translated into education policy through inspection, the setting of targets, outcome-based funding and performance measures[114]. The priorities of the last Government are still influencing current policy to a large extent; the 2010/11 Skills Investment Strategy, for example, was developed in 2009[115]. At the heart of policy priorities and development over the past few years has been a focus on a 'demand-led' system, with a vision of demand for skills from employers and learners dictating the nature of supply. While the creation and continuing support of Sector Skills Councils has demonstrated ongoing Government commitment to this aim, political and institutional barriers have meant that the system often remains driven from the centre[116].

3.3.2 System Map

Figure 3.3.2 The Position of Sector Bodies in the English Skills Development System



112 http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/s/10-1274-skills-for-sustainable-growth-strategy.pdf
113 Ibid.
114 http://www2.trainingvillage.gr/etv/publication/download/panorama/5159_en.pdf
115 http://www.dti.gov.uk/assets/biscore/corporate/migratedd/publications/s/skills-investment-strategy.pdf
116 http://ora.ouls.ox.ac.uk/objects/uuid%3Afdf0fad6-750f-422f-9df4-f0dd4b397df6/datastreams/ATTACHMENT01

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3.3.3 Sector Bodies: Background

3.3.3.1 History

Various incarnations of sector bodies preceded SSCs, and they represent the culmination *'of over 50 years of experimentation with sector-based approaches to skills and workforce development'*[117]. The main incarnations of sector bodies prior to SSCs were the 22 Industrial Training Boards, established in 1964 and principally focused on levy-based training, and the 73 National Training Organisations. The demise of the former was caused by concern that they were overly concerned with raising levies and insufficiently concerned with responding to employers' needs; the demise of the latter was the result of them being weak and ineffectual, possibly related to poor funding levels[118].

Sector Skills Councils (SSCs) were established in 2001 in a bid to raise the UK's productivity levels in comparison to its major competitors. Unlike previous incarnations, they receive core administrative funding from the state[119]. Their remit includes setting and raising workplace standards in the UK; approving qualifications in England, Northern Ireland and Wales; providing labour market intelligence, including employment rates and skills levels; and identifying skills gaps and skills shortages[120].

3.3.3.2 Structure and Funding

The UK Commission for Employment and Skills, a non-departmental public body, is responsible for the funding, performance management and continuous improvement of the SSCs[121], which operate under renewable 5-year licences[122]. Each SSC has a management board which represents different interests in the sector, including employers and unions. Operational staff teams deliver core functions such as research, policy and services[123]. Advisory panels and working groups, which are convened according to need, can include sub-sector groups, country groups, regional groups and project groups[124].

SSCs are publicly funded; total core funding in 2009/10 was £47,647,000[125] [126]. In addition to core funding (known as *'strategic funding'*), SSCs receive public funding for projects and infrastructure/capacity development[127]. Total public funding (all sources) in 2009/10 was £69,941,000[128] [129]. The UK Commission for Employment & Skills plans to move away from an equal shares funding model towards a more differentiated approach by 2012[130]. An Employer Investment Fund has recently been launched to allow SSCs to run and pilot small-scale, innovative solutions to skills development challenges in their sector; grants are expected to range in size between £500,000[131] and £1 million[132] [133]. Private sources and volumes of funding are not made public for SSCs[134].

3.3.3.3 Footprint

There are currently 22 SSCs (a 23rd, Lifelong Learning UK, recently had its responsibilities subsumed by the Learning & Skills Improvement Service after it failed to get relicensed by the UK Commission for Employment and Skills). SSCs and their footprint have been centrally defined by policy makers, rather than employers[135].

117 http://www.britishcouncil.org/insso_fullbook.pdf (2010:44)
118 Ibid.
119 Ibid.
120 http://www.sscalliance.org/nmsruntime/saveasdialog.aspx?lID=8038&sID=14953
121 http://www.ukces.org.uk/
122 Ibid.
123 http://www.unionlearn.org.uk/files/publications/documents/108.pdf
124 Ibid.
125 Rs.340 crore.
126 http://www.ukces.org.uk/assets/bispartners/ukces/docs/ssc/ssc-annual-performance-report-2009-10.pdf
127 http://www.ukces.org.uk/assets/bispartners/ukces/docs/ssc/ssc-performance-handbook.pdf
128 Rs.500 crore.
129 http://www.ukces.org.uk/assets/bispartners/ukces/docs/ssc/ssc-annual-performance-report-2009-10.pdf
130 http://www.workingatukces.co.uk/About-UKCES/Working-with-Sector-Skills-Councils
131 Rs.3.59 crore.
132 Rs.7.18 crore.
133 http://www.ukces.org.uk/assets/bispartners/ukces/docs/ssc/eif/eif-prospectus.pdf
134 http://www.ukces.org.uk/assets/bispartners/ukces/docs/foi/9-ssc-funding-info.pdf
135 https://www.education.gov.uk/publications/eOrderingDownload/The%20Wolf%20Report.pdf

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Table 3.3.3 Sector Bodies and their Footprint[136]

Sector Skills Council	Footprint
Asset Skills	*Property, housing, cleaning services, parking, facilities management.*
Cogent	*Bioscience, chemical, nuclear, oil and gas, petroleum, polymer industries.*
Construction Skills	*Construction.*
Creative & Cultural Skills	*Craft, cultural heritage, design, literature, music, visual arts, performing arts.*
e-skills UK	*Information technology, telecommunications.*
Energy & Utility Skills	*Electricity, gas, waste management, water industries.*
Financial Skills Partnership	*Financial services, finance, accounting.*
GoSkills	*Passenger transport.*
Improve	*Food and drink manufacturing and processing.*
Institute of the Motor Industry	*Retail motor industry.*
Lantra	*Environmental and land-based industries.*
People 1st	*Hospitality, leisure, travel, tourism.*
Proskills UK	*Process and manufacturing industry.*
SEMTA	*Science, engineering, manufacturing technologies.*
Skills for Care and Development	*Early years, children and young people's services, social work, social care.*
Skills for Health	*Health sector.*
Skills for Justice	*Community safety; courts, tribunals and prosecution; custodial care; fire and rescue; forensic science; law enforcement; offender management and support; policing; victim, survivor and witness support; youth justice and the children's workforce; legal services.*
Skills for Logistics	*Freight logistics, wholesale.*
SkillsActive	*Active leisure, learning, well-being.*
Skillset	*Broadcast, film, video, interactive media, photo imaging, publishing, advertising.*
Skillsmart Retail	*Retail.*
SummitSkills	*Building services, engineering.*

3.3.3.4 Operational Role

SSCs are responsible for establishing National Occupational Standards[137], which specify performance standards for individuals working in different roles, in addition to the knowledge and understanding needed to meet those standards consistently[138]. National Occupational Standards apply across the UK, not just to the individual nations, and SSCs must work with stakeholders from across the UK and to demonstrate widespread support before National Occupational Standards can be approved. SSCs are also expected to involve a representative sample of employers in their development[139].

Identification of priority areas for skills development, and how these priority areas will be addressed, occurs through Sector Skills Agreements. The basic process in their development is as follows[140]:

1. Skills Needs Analysis: assessment of the short-, medium- and long-term skills needs in the sector.
2. Assessment of Current Provision: the range, nature and relevance of available training.
3. Gap Analysis: identification of the main gaps and weaknesses in current provision, and development of priorities.

136 http://www.ukces.org.uk/ourwork/sector-skills-councils/list

137 National Occupational Standards can also be developed by Standards Setting Bodies, which often cover areas of the labour market not covered by SSCs.

138 http://www.ukces.org.uk/assets/bispartners/ukces/docs/supporting-docs/nos/guide-to-developing-nos.pdf

139 Ibid.

140 http://www.unionlearn.org.uk/files/publications/documents/108.pdf

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4. Employer Collaboration: Identification of areas that employers are likely to support.
5. Sector Skills Agreement: The final document shows how the SSC and employers will work with partners.

SSCs are responsible for developing Sector Qualification Strategies, which outline the training and qualifications needed by employers now and in the future. Sector Qualification Strategies are developed as part of the Sector Skills Agreements process[141]. SSCs are also involved in the development and approval of qualifications (see Section A3.5.1), and must approve units of competence and qualifications before they are eligible for public funding. They are charged with the development of apprenticeship frameworks, and have been closely involved in the development of the new 14-19 diploma (see Section A3.4).

Many SSCs have developed National Skills Academies in their sectors. National Skills Academies *'bring employers together with specialist training organisations to develop solutions which tackle the skills challenges facing their sector, and contribute to world-class competitiveness through increased skills levels and employer investment'*[142]. 18 National Skills Academies have been developed or are in the process of development; four more are planned[143]. The Academies operate training programmes in partnership with a variety of training providers, especially those which have achieved the Training Quality Standard[144] (see Section A3.5.3).

3.3.3.5 Quality Assurance

Quality assurance of SSCs is managed by the UK Commission for Employment & Skills. The performance management system aims to find a balance between bureaucracy and management of risk by reducing the regulatory burden for SSCs which have shown themselves to perform well. Recent changes to the performance management system have introduced a focus on continuous improvement. Performance management measures include informal dialogue, review of SSCs' strategic and business plans, annual measures and targets. Performance data is collected from SSCs on a quarterly basis. Full inspection happens at least once during the five year period between the granting of licences. Peer review is being considered as a future performance management tool[145].

3.3.4 Sector Bodies: Performance and Issues

A 2010 economic impact report, commissioned by the Alliance of Sector Skills Councils, used social return on investment measures to identify a range of benefits effected by SSCs[146]. These include significant public gains in education, industrial productivity, sustainability, health and social welfare. The impact report also suggested that SSCs are able to leverage at least 20 times their original Government investment. The results of this report should be treated with a degree of caution, however, as the research agency was commissioned to *'investigate and provide examples of how the economic benefits that SSCs generate may be measured'*[147]; in other words, it set out to measure benefits rather than providing a neutral assessment of the performance of SSCs.

The UK Commission for Employment & Skills suggests that Sector Skills Councils cover 90% of the UK workforce[148]. This figure, however, does not allow for SSC engagement with individual employers; while they might have responsibility for this percentage of the workforce, there is no data available on the proportion of the workforce upon whose training and development SSC actually have an impact.

Communication issues, particularly with small businesses, have been a particular challenge for SSCs. A 2009 survey of 3,500 small businesses found that 71% of small businesses had never heard of SSCs, and that 90% did not know which SSC related to their sector[149]. Of those who had heard of SSCs, only 10% believed that they were responsive to the needs of small and micro businesses. In response to these findings, the Federation of Small Businesses recommended[150]:

- A cross-cutting SSC dedicated to micro-business.
- Greater joined-up working between SSCs.
- Less overlap between courses (e.g. leadership and management).
- An increase in SSCs' visibility among existing business networks.
- Greater recognition of small business needs, e.g. valuing (and recognising) informal learning.
- Greater transparency in SSC performance management.

141 http://www.ukces.org.uk/publications/sector-qualifications-strategies
142 http://skillsfundingagency.bis.gov.uk/employers/growth-innovation-fund/national-skills-academies/
143 Ibid.
144 http://www.businesslink.gov.uk/bdotg/action/detail?itemId=1085744943&r.l1=1073858787&r.l2=1074202347&r.l3=1085744683&r.s=sc&type=RESOURCES
145 http://www.ukces.org.uk/assets/bispartners/ukces/docs/ssc/ssc-performance-handbook.pdf
146 http://www.sscalliance.org/nmsruntime/saveasdialog.aspx?lID=8034&sID=14953
147 Ibid, 2010:5.
148 http://www.ukces.org.uk/assets/bispartners/ukces/docs/ssc/ssc-annual-performance-report-2009-10.pdf
149 http://www.fsb.org.uk/policy/images/sector%20skills%20council%20research.pdf
150 Ibid.

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A Working Relationships Protocol for SSCs and awarding bodies proposes that[151]*:*

- Awarding bodies agree to support the Sector Qualification Strategy for any sector they enter.
- SSCs agree not to create any unreasonable barriers to any awarding body wishing to operate in their sector. This is to avoid arrangements that might reduce competition.

The same document outlined the core responsibilities of both sets of organisations, making clear that awarding bodies (and not SSCs) are responsible for the development of qualifications and qualification units in line with Sector Qualification Strategies. As discussed in Section A3.4, SSCs are now able to add units directly to the Qualifications and Credit Framework. Furthermore, in two cases (Lantra[152] and Skills for Logistics[153]), SSCs have been recognised by Ofqual as awarding bodies. Lantra Awards, for example, is a subsidiary of Lantra (the Sector Skills Council for environmental and land-based industries); this is a historical legacy from the Agricultural Training Board, which used to accredit private providers in the sector. In 2009, the National Audit Office recommended clearer separation between the two organisations in order to prevent any possible conflicts of interest[154].

Regional Development Agencies have, until now, been responsible for producing Regional Skills Strategies which reflect sector skills needs identified at a national level by the UK Commission for Employment and Skills and the SSCs[155]. The Regional Development Agencies, however, are due to close in 2012, which may affect the abilities of SSCs to work according to regional requirements.

The nature and understanding of 'demand-led' in England has posed a particular challenge for policy makers, and successive governments have struggled – despite rhetoric to the contrary – to let employers drive the agenda. The *Skills for Sustainable Growth Strategy,* for example, which was a White Paper published by the Government in late 2010, states: *'We do not want to impose a one-size-fits-all solution but encourage proposals developed by businesses, in consultation with a wide range of employers'* (2010:23). In contrast, the following sentence states: *'In particular, we will welcome proposals that demonstrate the role that Apprenticeships can play'*[156]. In other words, the system should be led by employers, but preference will be given to proposals that fit with the area of training – apprenticeships – that the Government has decided should be given priority. SSCs have therefore received criticism for not being genuinely employer-led; the skills development system is still very much driven from the supply-side[157].

The 2011 Wolf Review of Vocational Education highlighted structural problems in the system: *'what has been created is a system in which the governmental organisations responsible for vocational qualifications talk to each other, and to the awarding bodies, to the exclusion of the groups that should be central: schools, colleges and training providers on the one hand, and employers on the other'* (2011:101)[158]. In terms of the SSC role in this, Wolf suggests that they have become overly focused on regulation, through the design and approval of qualifications, to the exclusion of employers. She suggests that employer representation on national panels is insufficient; they have to be involved at the level of delivery.

Another challenge has emerged in the narrow workplace-competence approach of some SSCs, who have withheld their approval for certain qualifications encompassing pre-employment training (on the basis that they do not lead to a true reflection of workplace competence). This has led to a situation in which training for certain trades cannot take place unless learners are employed, which not only ignores policy priorities (such as the need to upskill or re-skill the unemployed against the backdrop of recession), but also ignores the wishes of many employers[159].

The broad-ranging remit of SSCs in comparison to their funding levels has led to calls for greater investment from a range of stakeholders, from the Alliance of Sector Skills Councils[160] to the right-leaning think tank Policy Exchange[161].

National Skills Academies have, arguably, been a successful element of the sectoral skills system. They have leveraged significant employer investment (the first eight skills academies had secured £58 million[162] in employer investment by late 2010, which was expected to rise to £80 million[163] by the end of 2011), and the Government believes that they can become self-financing in three years[164]. National Skills Academies have

151 http://www.awarding.org.uk/documents/files/Documents/FAB_Guidance/Working%20Relationships%20Protocol%20-%20April%202010%20_2_.pdf
152 http://register.ofqual.gov.uk/Organisation/Details/RN5152
153 http://register.ofqual.gov.uk/Organisation/Details/RN5342
154 http://www.nao.org.uk/idoc.ashx?docId=282DB29F-F735-4485-9B76-61FE5EF8D4AD&version=-1
155 http://www.bis.gov.uk/assets/biscore/corporate/docs/f/bis-urn10-920-faw.pdf
156 http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/s/10-1274-skills-for-sustainable-growth-strategy.pdf
157 http://ora.ouls.ox.ac.uk/objects/uuid%3Afdf0fad6-750f-422f-9df4-f0dd4b397df6/datastreams/ATTACHMENT01
158 https://www.education.gov.uk/publications/eOrderingDownload/The%20Wolf%20Report.pdf
159 Ibid.
160 http://www.britishcouncil.org/insso_fullbook.pdf
161 http://www.policyexchange.org.uk/assets/Simply_Learning_-_Jan__10.pdf
162 Rs.420 crore.
163 Rs.570 crore.
164 http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/s/10-1274-skills-for-sustainable-growth-strategy.pdf

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been successful in engaging employers, particularly through workshops and participative meetings, and have achieved a good representation of employers across a sector on their boards. Stakeholders and employers interviewed as part of an early evaluation thought that there should be clear separation between the roles of SSCs and National Skills Academies, with SSCs retaining a strategic role and National Skills Academies acting as the delivery arm of sector-specific training. National Skills Academies can add value by *'improving the relevance and flexibility of training to a consistent, high standard'*[165].

3.3.5 Lessons for India

3.3.5.1 Structure

- India has similar existing challenges to those found in England in terms of complexity, bureaucracy and overlapping agency roles, but to a much larger extent because of its scale. Sector bodies are likely to be most successful in a system which functions efficiently and effectively and in which agency roles are clear; structural changes may be necessary in order to make the introduction of sector bodies effective.
- Sector bodies are not, by themselves, sufficient to ensure that the needs of employers are understood; it is critical, particularly in a country as diverse as India (and even in a smaller, less diverse country such as England) that employers are also involved at the delivery level.
- Likewise, involving training providers in the structure and operations of sector bodies will help to reflect practitioners' understanding of complex local training needs.
- The challenge of ensuring a successful regional approach is evident from the example of England. To a certain extent, this can happen at a state level in India – but there is still significant variation within the states themselves which needs to be understood in order to ensure a successful regional approach.
- If India selects a model which encompasses a free market for qualifications, clear distinction and separation of function is needed between sector bodies and awarding bodies. This will (a) avoid conflicts of interest and (b) ensure that sector bodies are not unfairly distorting the market. If India chooses to give sector bodies the power to award qualifications themselves, effective external quality assurance mechanisms will need to be implemented to ensure that qualifications are being developed, assessed and awarded effectively and in a way which benefits both learners and employers.
- The role and remit of sector bodies should be tightly defined.

3.3.5.2 Operations

- India can learn from the UK/England's experience in the development of Sector Skills Agreements, or the identification of priority areas for skills development (see Section 3.3.3.4). It is arguable, however, that employers need to be an integral part of the process, rather than being brought in after the gap analysis has been completed.
- There are lessons to be learned, both positive and negative, from the UK/England's National Skills Academies, which can act as the delivery arm of sector-specific training. A separate analysis and evaluation of the role, structure and operations of National Skills Academies (and, where appropriate, their equivalents in other countries) would be a useful exercise for India.
- Existing business networks (such as FICCI and CII at the national level, but also local and regional business networks) can be used as a mechanism for employer engagement. Means of engaging small business – and the unorganised sector – might include improved recognition of informal learning.

3.3.5.3 Funding

- Public funding of sector bodies should be sufficient to meet their delivery role.
- In the broader skills sector, a single funding mechanism (i.e. avoidance of separate structures according to age) is likely to be more popular with training providers, learners and employers[166] in the sector, and is likely to make the jobs of sector bodies easier.

3.3.5.4 Quality Assurance

- Complex quality assurance procedures or performance measurement of sector bodies should be avoided; the UK model of 'light touch' regulation of successful sector bodies avoids some of the potential pitfalls.
- Quality assurance mechanisms should be transparent.

165 http://www.employment-studies.co.uk/pdflibrary/lsc_100505.pdf (2009:ix)

166 E.g. http://www.157group.co.uk/select-committee-inquiry-skills-funding-agency-and-government-policy-in-respect-of-further-education-funding-evidence-from- the-157-group

Sector Bodies in the Netherlands

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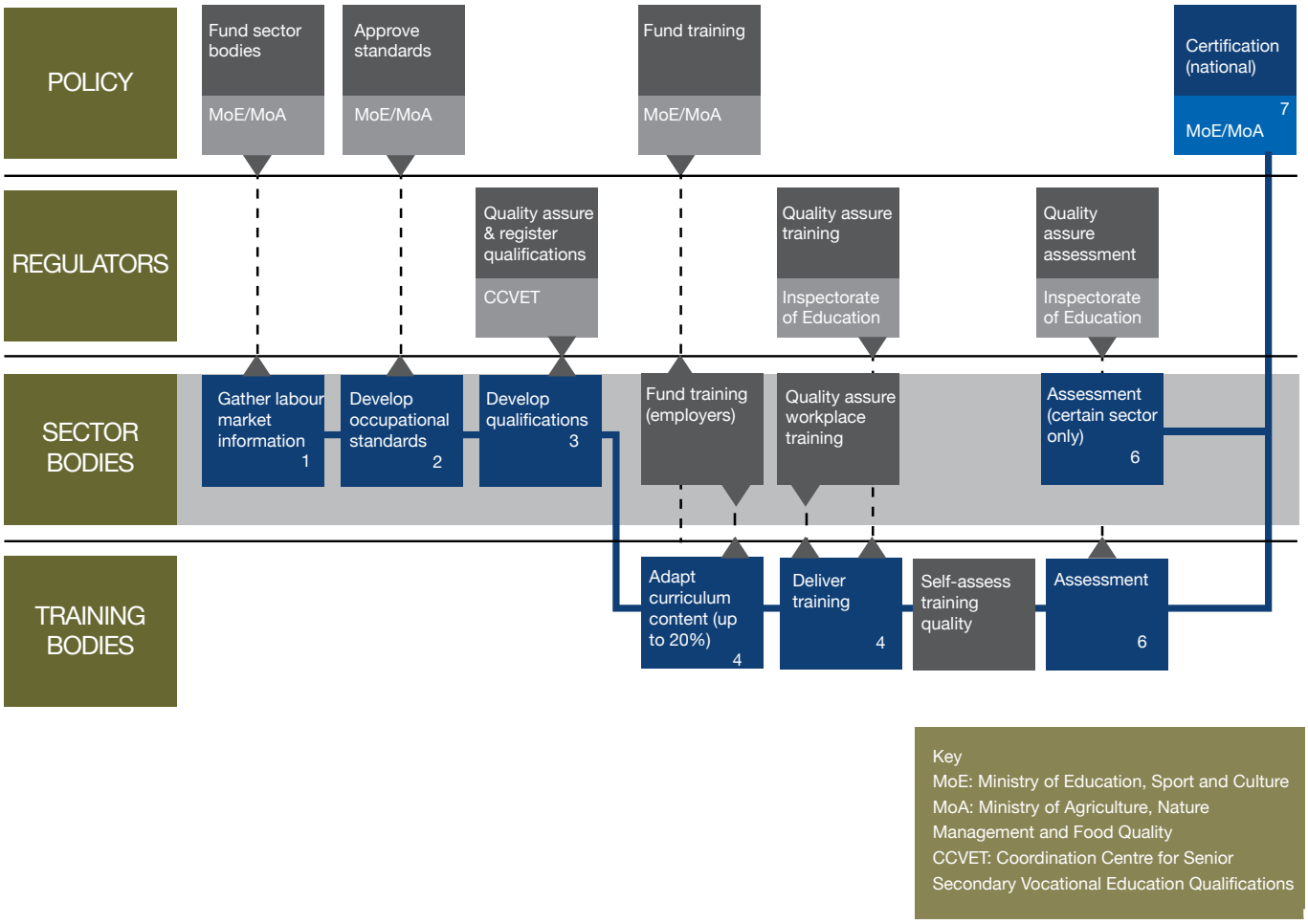
3.4 Sector Bodies in the Netherlands

3.4.1 Introduction

The historical social partnership within which the Dutch sectoral skills system operates is critical for understanding its particular type of success. All major stakeholders (employers, workers and policy makers) co-operate closely on skills development issues. The social partnership model partly explains a high level of employer engagement in the Netherlands; it can also be explained by a sectoral skills system in which employers genuinely have a chance to affect outcomes and the quality of the people who work for them. Knowledge Centres take qualification design as the central point from which other parts of the system flow, and funding mechanisms ensure that employers have a genuine say in training[167].

3.4.2 System Map

Figure 3.4.2 The Position of Sector Bodies in the Dutch Skills Development System



167 Sung, 2010.

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3.4.3 Sector Bodies: Background

3.4.3.1 History

Vocational education institutions were founded in the Netherlands in response to skills shortages of the 19th and the 20th centuries, but were not the responsibility of Government until the 1960s. Following World War II, vocational education and training was considered a key means of national reconstruction and promptly included in the comprehensives schooling system[168]. In 1954 Colo was established with a remit to facilitate dialogue between key stakeholders in vocational education; it set up 27 Centres of Expertise for this purpose[169].

Following the Adult and Vocational Education Act in 1996, the Centres of Expertise became known as 'Knowledge Centres' and were reduced in number. They were also given new responsibilities including facilitating work placements for apprentices[170]. The aim of the new system was to create an employer-led system, in response to criticisms that the old system did not respond sufficiently to demand[171].

Cedefop notes that *'as intensive cooperation between the organised labour market and education is central to the concept of vocational education and training in the Netherlands, the expertise centres form the essential link between them'*[172].

3.4.3.2 Structure and Funding

In the Netherlands, each industry sector is represented by a Knowledge Centre, known locally as a *Kenniscentrum* (sometimes also known as a Centre of Expertise). There are 17 Knowledge Centres in total, which are represented at a national level by Colo (Samenwerkende Kenniscentra voor Beroepsonerwijs en Bedrijfsleven)[173]. Colo and the 17 Knowledge Centres together represent over 40 different parts of industry in the Netherlands[174].

Knowledge Centres work on behalf of the Ministry of Education, Culture and Science, accrediting work placement companies within their relevant sectors. They contribute to curriculum development by translating labour market needs and promoting dialogue between the regional training organisations and the companies within the Netherlands offering work placements[175]. They are tripartite in structure, with key stakeholders consisting of employers, employee representative bodies (e.g. unions) and Government. The Knowledge Centres are divided into six regions in the Netherlands, allowing for a more focused and regional approach to skills development[176].

The Knowledge Centres are comparatively well funded, receiving payment for the number of competency standards they look after, the number of companies they accredit and the number of students they recruit[177]. Core government funding in 2001 for all sectoral training activities was □2.26billion[178,179]. Additional funding is also available through projects and research: Knowledge Centres may provide sectoral data and surveys[180]. National Social Contracts include a percentage of the employee's wage (usually 0.2% to 0.5%) that is paid by employers into a sector fund as a training levy. The levy can be used to provide intensive training courses in areas of severe and urgent skills need[181].

The funds are generally spent in three ways[182]:

- A fixed fund is made available to one particular sector, with employers able to bid for funding.
- On individual leave days for training, to be taken at the discretion of the employees.
- Covering up to 50% on training programmes detailed in training plans, which are submitted by employers.

Each centre is autonomous in terms of decisions on spending, provided it fulfils its remit in terms of standards and accreditation. They are also subject to financial audit[183].

Colo is also the National Reference Point (NRP) of the Netherlands; NRPs are national web portals designed to increase transparency of vocational education systems and

168 http://www.kcl.ac.uk/sspp/departments/education/research/cppr/pastproj/literaturereview.pdf
169 http://www.britishcouncil.org/insso_fullbook.pdf
170 Ibid.
171 http://www.clms.le.ac.uk/publications/workingpapers/working_paper49.pdf
172 http://www2.trainingvillage.gr/etv/publication/download/panorama/5142_en.pdf
173 http://insso.org/member-countries/netherlands/
174 http://www.Colo.nl/
175 E.g. http://www.kenwerk.nl/about-kenwerk/2676 and http://www.aequor.nl/landensubsites/english
176 http://www.Colo.nl/in-de-region.html
177 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf
178 Rs.14,600 crore
179 http://www.ukces.org.uk/assets/bispartners/ukces/docs/publications/ssda-archive/research-report-16-skills-abroad.pdf
180 Ibid.
181 Ibid.
182 http://www.ncver.edu.au/research/proj/nr2013.pdf
183 http://www.ukces.org.uk/assets/bispartners/ukces/docs/publications/ssda-archive/research-report-16-skills-abroad.pdf

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to improve education and labour market studies. Colo is also a member of the Dutch Europass consortium; Europass is a set of documents relating to an individual's skills and competencies, and is intended to aid labour migration[184]. Colo is governed by representatives of the Knowledge Centres, employer organisations and trade unions. It is also accountable to the Knowledge Centres, its members and social partners, and not to central Government[185].

3.4.3.3 Footprint

Table 3.4.3 Sector Bodies and their Footprint

Knowledge Centre	Footprint
Aequor	Green sector.
Calibris	Care, welfare and sport.
ECABO	Economic administration, ICT and safety.
Fundeon	Construction and infrastructure.
GOC	Graphic and new media education.
Innovam	Vehicle, body and bike technology.
KCHandel	Wholesale, retail and international trade.
Kenteq	Electrical installation, metal and mechanical engineering, distribution engineering, refrigeration, information and communication technology.
Kenwerk	Catering, bakery, travel, recreation and facility management.
KOC Nederland	Personal care.
PMLF	Process management, environmental technology, laboratory technology and photonics.
Savantis	Decorating and maintenance, advertising and communication, cleaning and window cleaning.
SH&M	Woodwork and home furnishings.
SVGB	Creative technology, health technology and crafts.
SVO	Fresh produce and food.
VOC	Bodyworks.
VTL	Transport and logistics.

184 http://insso.org/member-countries/netherlands/
185 http://www.cedefop.europa.eu/en/Files/4074_EN.PDF

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3.4.3.4 Operational Role

The Adult and Vocational Education Act (1996) mandated certain responsibilities for Knowledge Centres, including[186]:

- The development and maintenance of senior secondary vocational education qualifications; there are currently 237 'qualification files'.
- The recruitment of companies offering training places.
- Monitoring of training quality in companies offering higher vocational education (HBO), senior secondary vocational education (MBO) and preparatory secondary vocational education (VMBO).
- Providing advice, information and training.
- Defining occupational profiles and collaborating with educational representatives to develop competence requirements.

It is also a statutory requirement that employers, employees and educational institutes are involved in the description and design of qualifications[187].

The Knowledge Centres support over 200,000 accredited work placement companies that are providing training to 500,000 students in senior secondary-level vocational education and training[188]. Work placement training constitutes 50% of vocational learning time in the Netherlands. After these work placements, 75% of learners gain employment in the company with which they were placed[189].

Colo examines regional, national and international education and labour market policy[190]. It is also responsible for producing the Quarterly Colo Barometer, which includes a list provided by the Knowledge Centres of the apprenticeships and internships, available by sector and by region, the development of occupational standards (linking to the European Qualifications Framework), and the accreditation of prior learning[191].

Colo and the Research Centre for Education and the Labour Market (ROA) have signed a four-year contract, under which Colo and Centres of Excellence used ROA data to produce sector specific reports. These reports include predictions for labour needs and availability of work placements in different sectors and occupations[192]. The ROA uses two main approaches to forecast the labour market and determine skills needs. Firstly, its top-down approach uses a general forecasting model from national data sources and labour market information is used to create recommendations and reports along policy lines; its bottom-up approach involves labour market forecasting for specific sectors or occupational groups[193].

3.4.3.5 Quality Assurance

Knowledge Centres are responsible for accrediting and monitoring employers that offer work placements; given that every vocational student spends approximately 50% of their course on work placements, the number of companies requiring accreditation is significant[194]. According to the British Council, 900 consultants are required in the Netherlands to perform quality assurance duties[195]. With an increasing number of learners choosing to complete their work placements internationally, the Knowledge Centres are also responsible for performing quality assurance in over 3,000 foreign companies[196].

The performance of Knowledge Centres is linked to funding; the Department of Education, Sport and Culture awards funding based upon the number of standards and qualification files for which each Knowledge Centre is responsible, as well as the number of companies they monitor[197] .

3.4.4 Sector Bodies: Performance and Issues

Employer focus

The Netherlands is applauded for its employer led approach, which is seen to ensure that the training system does in fact meet industry needs. Frequent contact with employers ensures a good relationship between the Dutch vocational education and training and the labour market. Regional trade and industry colleges also provide feedback on the quality of courses provided by colleges[198].

The British Council, however, reports that there is a fundamental divide between education and industry and that *'for employers, education will never be the top priority'*[199].

186 http://www2.trainingvillage.gr/etv/publication/download/panorama/5142_en.pdf
187 http://www.colo.nl/publications.html?file=tl_files/publicaties/publicaties%202011/folder-colo-leerbedrijven-NL-engels.pdf
188 http://www.Colo.nl/national-centres-of-expertise.html
189 http://www.colo.nl/publications.html?file=tl_files/publicaties/publicaties%202011/folder-colo-leerbedrijven-NL-engels.pdf
190 http://www.cedefop.europa.eu/en/Files/4074_EN.PDF
191 http://insso.org/member-countries/netherlands/
192 http://libserver.cedefop.europa.eu/vetelib/eu/pub/cedefop/vetreport/2010_CR_NL.pdf
193 Ibid.
194 http://www.britishcouncil.org/insso_fullbook.pdf
195 Ibid.
196 Ibid.
197 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf
198 http://www.expatica.com/nl/education/courses_workshops/Dutch-vocational-education-and-training-in-a-nutshell_14318.html
199 http://www.Colo.nl/national-centres-of-expertise.html

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Funding

Although this model appears to be satisfactory to employers, as it gives them significant control, Billett states that just 40% of the funds raised through the levy are spent on training and that represents just 5% of employers' total training expenditure. Moerel, however, suggests that more training has been carried out with these funds since it was established that the money was underutilised[200].

Regional and national focus

The British Council notes that tension exists in the Dutch system due to confusion between the national priorities to which Colo adheres, and the regional priorities that the Knowledge Centres are also expected to fulfil[201]. Others argue that the Netherlands has a highly effective regional approach, for example in regional training institutions being able to tailor up to 20% of the national curriculum according to local employer needs[202].

Collaboration

Cedefop notes that a particular weakness in the Dutch system is the lack of co-operation between schools and industry; specifically, that education providers are considered to have too much influence. They also report, however, that the involvement of the labour market in setting goals for education alongside other key stakeholders, is an important strength of the system[203].

3.4.5 Lessons for India

3.4.5.1 Structure

- The existence of a central body (Colo) ensures comprehensive cover of necessary skills without duplication. This central body is able to respond to national priorities (though the Department of Education, Sport and Culture) and transmit this information to its regional Knowledge Centres.
- The Indian sector body system would benefit from a similar approach, where a central, federal-level co-ordination body ensures that national priorities for skills and workforce development are disseminated appropriately to state level sector organisations and their constituent regional or local offices.
- Sectoral systems work better where other aspects of the structure, such as qualifications and funding, are aligned to the same objectives.
- The successful social partnership aspects of the Dutch vocational system are unlikely to be transferable to the Indian context, as they are built on a very particular historical, institutional and social model.

3.4.5.2 Operations

- The ability for training organisations to adapt up to 20% of national Knowledge Centre-set curricula has meant that training is very much tailored to local labour market needs. In a country of India's size and diversity, this built-in flexibility could really help to meet local needs, while at the same time ensuring that the majority of learning is transferable.

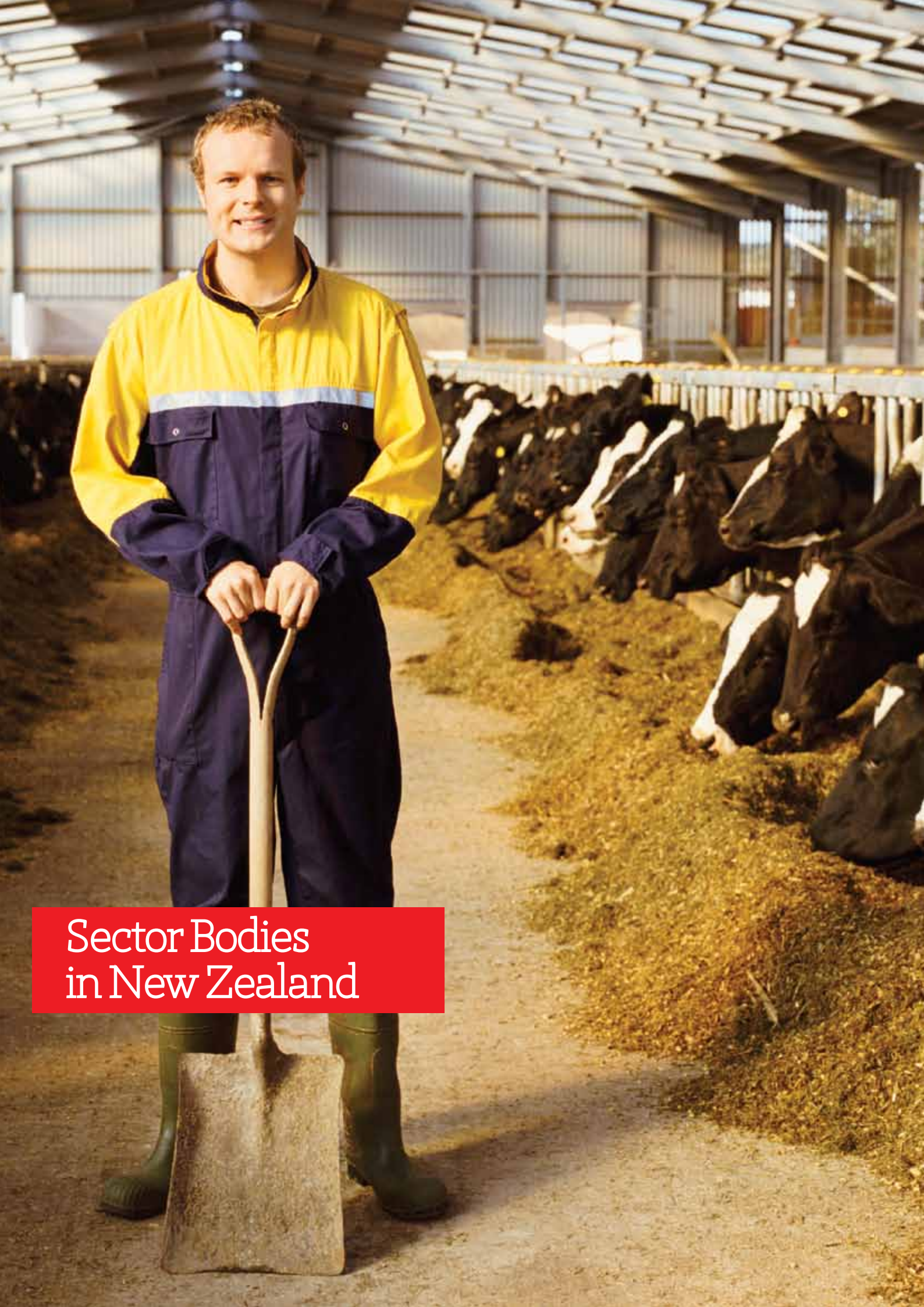
3.4.5.3 Funding

- With significant employer funding, there is real buy-in from industry in the Netherlands, with the private sector taking a leading role within the system.
- In India, however, with the majority of the workforce in the unorganised sector, employer levies like that in the Netherlands are not likely to be suitable. Large-scale employers conducting workplace training could be encouraged to pay a levy, however, in exchange for tax rebates, as in the Netherlands. It is also possible that employers could be enticed to conduct workplace training if sufficient support was given from the sector bodies, much like the Knowledge Centres provide in the Netherlands.

3.4.5.4 Quality Assurance

- The quality of Knowledge Centres' work can influence the level of funding they receive for different activities: *'Knowledge Centres can influence their own level of activities and grow their business by doing a good job in areas such as qualifications, apprenticeship numbers, workplace accreditations and so on'* (Sung, 2010:29). If incentive structures are set up appropriately in India, sector bodies have the potential to work towards the best possible quality levels in all areas of their activities.

200 http://www.mutual-learning-employment.net/uploads/ModuleXtender/PeerReviews/48/Netherlands.pdf
201 http://www.Colo.nl/national-centres-of-expertise.html
202 Sung, 2010.
203 http://www.cedefop.europa.eu/etv/Upload/Information_resources/Bookshop/517/5181_en.pdf



Sector Bodies in New Zealand

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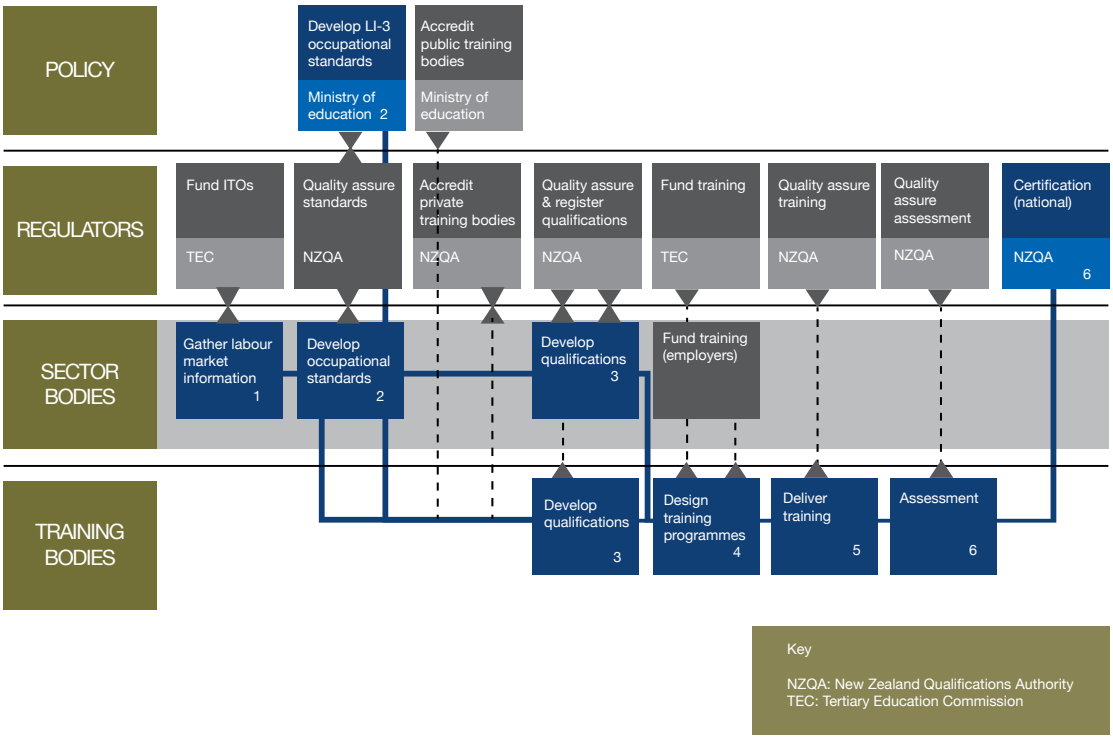
3.5 Sector Bodies in New Zealand

3.5.1 Introduction

In January 2008, New Zealand announced a partnership approach to improving skills development. The resulting Skills Strategy Action Plan (2008) was produced by the Skill New Zealand Tripartite Forum, comprising government representatives, Business New Zealand, and the Industry Training Federation. According to the Tripartite Forum, the strategy reflected the importance of integrating industry and skills: *'the successful implementation of the Skills Strategy will integrate what happens in the workplace with the formal education and training system…..we believe that this provides a competitive edge to New Zealand in comparison with strategies being developed by other countries'*[204]. The strategy also indicates the importance of raising the skills levels of the existing workforce; 80% of today's workforce will still be actively working in 2020[205]. Key strategies include strengthening the links between skills and productivity, addressing areas of skills shortage, making skills accessible for Maori and Pacific peoples, and increasing skills for immigration[206]. In particular, key strategies relate to creating *'a better match between workers' skills and industry and regional needs'*; this will be achieved by assisting Industry Training Organisations to create better forecasts for their industries[207].

3.5.2 System Map

Figure 3.5.2 The Position of Sector Bodies in the New Zealand Skills Development System



204 http://www.itf.org.nz/assets/Publications/Literacy-Publications/NZSkillsStrategyActionPlan2008.pdf
205 http://www.skillsstrategy.govt.nz/
206 Ibid.
207 http://www.skillsstrategy.govt.nz/assets/Uploads/NZ-Skills-Strategy-Implementation-Plan-2008-09.pdf

3. Country Reports

3.5.3 Sector Bodies: Background

3.5.3.1 History

Industry Training Organisations (ITOs) were driven and developed by industries themselves and were recognised under the Industry Training Act 1992. The introduction of ITOs and the establishment of the Act was intended to replace the old system of apprenticeship boards, following a series of economic reforms intended to improve the performance of the New Zealand economy[208]. During these reforms, the education system – specifically, the low level of systematic and professional training – was identified as a significant impediment to growth. The resulting Industry Training Strategy Review identified serious problems with the old apprenticeship system; it was unresponsive to the needs of industry and was limited to traditional trades. The objectives of the new system was to expand industry training beyond traditional trades, and link them with the new National Qualifications Framework (NQF), which was introduced around the same time[209]. The resulting ITO structures are responsible for setting skills standards for their industry, providing training places by liaising with industry and providers, and providing labour market information to industry and Government[210].

3.5.3.2 Structure and Funding

There are 38 ITOs in New Zealand, all of which are represented by the Industry Training Federation. The high number of ITOs is justified by the fact that they may only be established with significant evidence of industry support; each ITO is therefore required by the industry it represents[211]. Around 190,000 workers in 35,000 workplaces are involved in industry training, representing approximately 78% of the national workforce[212]. ITOs are established by industry, but recognised by Government[213]. They are primary industry-led, and their boards reflect this; membership is generally restricted to industry representatives and experts.

ITOs receive funding from both Government and industry [214]. ITOs are also able to access the Industry Training Fund, which is administered and held by the Tertiary Education Commission. Funding for ITOs is contingent upon meeting set operational requirements[215]. The fund is also available to support training places that are procured by ITO for industry training; it is granted subject to agreed Investment Plans, which are monitored by the TEC. Funding can be procured for an individual or for an organisation; in order to be eligible, trainees must have an agreed training agreement with their employer[216].

Industry funding for ITOs is a mix of cash and in-kind support[217]. 2003 estimates from the Tertiary Education Commission indicate that the Government invested $98.4 million[218] and employers $41.6 million[219] in cash in training. Employers noted that if time and resources were also taken into consideration, their investment represent 30% - 50% of total training expenditure[220].

208 http://www.itf.org.nz/assets/Publications/Literacy-Publications/ITF-Funding-History.pdf
209 Ibid.
210 http://www.nzqa.govt.nz/for-business/ito.do
211 http://www.clms.le.ac.uk/publications/workingpapers/working_paper49.pdf
212 http://www.itf.org.nz/
213 http://www.itf.org.nz/industry-training/
214 http://www.itf.org.nz/assets/Publications/Delivering-Value-the-contribution-of-ITOs-to-NZ-vocational-education-and-training.pdf
215 http://www.tec.govt.nz/Funding/investment-plans/Information-for-organisations/Industry-Training-Organisations--ITOs/
216 http://www.tec.govt.nz/Funding/Fund-finder/Industry-Training-Fund/Payment/
217 http://www.itf.org.nz/industry-training/
218 Rs.360 crore.
219 Rs.150 crore.
220 http://www.clms.le.ac.uk/publications/workingpapers/working_paper49.pdf

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3.5.3.3 Footprint

Table 3.5.3 Sector Bodies and their Footprint

Industry Training Organisation	Sector	Footprint
Agriculture ITO	Primary, Infrastructure	Dairy, Sheep/Beef Cattle, Wool Harvesting, Rural Staff Management, Agribusiness and Production Management, Pork, Poultry, Rural Servicing, Pest Control, Agrichemical Supply.
Apparel and Textile ITO	Manufacturing	Apparel, Textiles, Laundry & Drycleaning and Footwear.
Aviation, Tourism and Travel ITO	Infrastructure, Services	Aviation, Tourism, Travel and Museums.
NZ Marine Industry Training	Primary	Boatbuilding, Marine Sales.
Building & Construction ITO	Infrastructure	Carpentry, Cement & Concrete, Floor & Wall Tiling, Frame and Truss Manufacturing, Interior Systems, Proprietary Plaster & Cladding Systems, Solid Plastering.
Building Service Contractors ITO	Infrastructure, Services	Contract Cleaning, Grounds Maintenance, Waste Removal, Security, Document Destruction.
Careerforce	Government & Community Services	Aged Care Residential, Mental Health & Addition, Disability, Home & Community, Community & Public Health.
Communications & Media ITO	Manufacturing, Infrastructure, Services	Printing, Journalism, Communications & Media.
Competenz	Manufacturing, Infrastructure	Engineering (General & Maintenance), Machining, Toolmaking, Fitting & Machining, Refrigeration, Heating, Ventilating & Air Conditioning, Light & Heavy Fabrication, Locksmithing, Manufacturing (incl. Food & Beverage), Baking, Rail Transport, Maritime, Fire Protection.
Electricity Supply ITO	Manufacturing	Business Administration, Cable Jointer, Telecommunications Technician, Electrician, Line Mechanic, Operator, Retail Operator, Mechanical Fitter.
ETITO	Manufacturing, Infrastructure, Services	Ambulance, Contact Centres, Electrotechnology, Financial Services, Offender Management, Security, Telecommunications.
Equine ITO	Primary, Services	Horse Racing & Breeding, Stable Practice, Sport Horse, Farrier, Racecourse Manager, Racecourse Promotion & Administration, Equestrian Coaching, Stable Manager, Kennel Hand.

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Industry Training Organisation	Sector	Footprint
Extractive ITO	Primary	Surface & Underground Extraction, Resource Recovery, Drilling, Gas, Petrochemical, Energy & Chemical Plant, Hot Dip Galvanising, Blaster Coating.
EMQUAL ITO	Government & Community Services	Fire, Search and Rescue.
Flooring ITO	Infrastructure	Production, Distribution, Sales & Installation of Resilient/Soft Flooring and Associated Flooring Surfaces.
FITEC	Primary, Manufacturing	Forestry, Sawmilling & Remanufacturing, Wood Panels, Pulp, Paper & Tissue, Furniture, Biosecurity.
Funeral Services Training Trust of NZ	Services	Funeral Directors, Embalmers.
Hairdressing ITO	Services	Hairdressing, Barbering, Beauty.
Horticulture ITO	Primary	Landscaping, Amenity & Production Horticulture, Fruit Production, Viticulture, Nursery Production, Arboriculture, Floristry, Vegetable.
Hospitality Standards Institute	Services	Accommodation, Cafés, Bars & Restaurants, Clubs, Food Services, Quick Service Restaurants.
Infratrain	Primary, Infrastructure	Agricultural Application, Asset Management, Business, Civil Construction & Engineering, Demolition, First Line Management, Health & Safety, Horizontal Directional Drilling, Pavement Surfacing, Roadmarking, Rural Contracting, Surveying, Utilities.
Joinery ITO	Manufacturing, Infrastructure	Joinery, Glass & Glazing, Kitchen Design, First Line Management, Competitive Manufacturing, Architectural Aluminium Joinery.
Learning State	Government & Community Services	Business Administration, Management, Leadership.
Local Government ITO	Government & Community Services	Rates, Liquor Licensing, Parking Enforcement, Local Government Committee Management, Core Skills, Pest Plant Control, Animal Control, Vertebrate Pest, Building Inspection, Civil Defence Emergency Management.
MITO	Manufacturing, Infrastructure	Motor and Industrial Textile Fabrication, Automotive Engineering, Sales & Services, Business Management, Automotive Technical & Mechanical.
NZITO	Primary, Manufacturing	Dairy Manufacturing, Environmental General, Laboratory, Occupational Health & Safety, Transport, Yeast Manufacturing, Meat Processing, Mechanical Engineering.

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Industry Training Organisation	Sector	Footprint
Opportunity Training	Infrastructure	Crane, Scaffolding, Rigging, Industrial Rope Access, Elevating Work Platform.
Pharmacy ITO	Government & Community Services	Pharmacists, Pharmacy Technicians, Pharmacy Assistants.
PAMPITO	Manufacturing	Plastics Processing, Glass Container Manufacturing, Pharmaceutical & Allied Products Manufacturing, Paint & Coatings Manufacturing.
Plumbing, Gasfitting, Drainlaying and Roofing ITO	Infrastructure	Plumbing, Gasfitting, Drainlaying, Roofing.
REAL ITO	Services	Real Estate Agents & Salespeople.
Retail Institute	Services	Retail, Wholesale & Distribution.
Retail Meat ITO	Services	Butchery, Curing, Smoking & Smallgoods Manufacture.
Seafood ITO	Primary, Manufacturing	Aquaculture, Maori & Customary, Seafood Processing, Seafood Risk Management, Vessel Operations, Wholesale & Retail.
Skills Active	Services	Aquatics, Recreation, Sport & Fitness.
Sports Turf ITO	Services	Sports Turf Maintenance & Management.
Social Services ITO	Government & Community Services	Community & Social Work, Social Services, Family & Foster Care, Counselling, Employment Support, Youth Work.
Tranzqual	Infrastructure	Transport and logistics

3.5.3.4 Operational Role

ITOs are responsible for providing information about workforce development and skills needs[221]. They work with industry to identify key trends and provide information about skills gaps and workforce development needs. ITOs are also expected to ensure that vocational training delivered through other means (schools, other workplaces and training providers) meet industry needs[222].

They are responsible for defining occupational standards and quality for their industry[223]; they set around two-thirds of all occupational standards[224]. ITOs can assist providers (generally employers) to develop their own qualifications and training packages, according to industry needs. ITOs also broker workplace training to ensure that supply meets demand[225]. They are responsible for procuring government funds for industry training places, through the Tertiary Education Commission, and providing information and guidance to trainees and employees[226]. ITOs are also expected to liaise with other relevant training providers to ensure that qualifications are taken up more widely[227].

In establishing guidelines for funding applications for ITOs, the Tertiary Education Commission notes that in 2011-13, ITOs will need to *'deliver on their core/statutory roles, meet Government expectations, and support the TES priorities within the resource allocation for their Plans'. Current expectations include*[228]:

221 http://www.itf.org.nz/

222 http://www.tec.govt.nz/Funding/investment-plans/Information-for-organisations/Industry-Training-Organisations--ITOs/

223 http://www.itf.org.nz/

224 http://www.nzqa.govt.nz/providers-partners/development-of-national-qualifications-and-standards/

225 http://www.itf.org.nz/

226 http://www.nzqa.govt.nz/for-business/ito.do

227 http://www.tec.govt.nz/Funding/investment-plans/Information-for-organisations/Industry-Training-Organisations--ITOs/

228 Ibid.

3. Country Reports

- Working with industry to ensure that vocational learning meets industry needs.
- Enable New Zealanders to complete nationally recognised qualifications.
- Create clear learning pathways towards advanced trade qualifications (above NZQF level 4).
- Build and maintain strong support from industries.

ITOs are also expected to support the tertiary education sector policy priorities, including aligning provision to ensure that larger numbers of Maori and Pacific people are educated; raising achievement rates and the levels at which trainees achieve; and enabling employees to contribute to the local and national economy[229].

3.5.3.5 Quality Assurance

All ITOs are currently accredited by the New Zealand Qualifications Authority to assess training providers and monitor the quality of training[230]. A key measure of success has historically been the number of trainees for whom an ITO brokers places; the outputs and outcomes of ITOs are now measured on a number of factors including the achievement of literacy and numeracy, the number of standard units and qualifications attained and the cost of training per trainee[231].

ITO Investment Plans are assessed annually by the Tertiary Education Commission and are the basis for funding being allocated annually. Investment Plans are expected to outline the ITOs' anticipated delivery against not only their core objectives (liaising with industry and delivering training), but also against objectives set by Government (see Section 3.5.3.4, Operational Roles). In 2011-13, one of the key measurement criteria is the financial performance of ITOs and in particular, ensuring that funding is only spent on that which it is supposed to be: the purposes of arranging training and trainee success[232].

3.5.4 Sector Bodies: Performance and Issues

In 2010, the Industry Training Federation reported that around 190,000 people are involved in industry training; a sharp increase from the 16,000 reported participants in 1992[233]. Around 35,000 businesses and organisations are reported to be involved in industry training[234]. The Industry Training Federation reports that ITOs develop and maintain over 17,000 national standards and 1,000 national qualifications which are used in New Zealand[235]. It lists the ITOs' primary achievements as:

- Improving participation (see above). Participation of Maori and Pacific Islanders in training has also grown to represent almost the entire workforce from those groups.
- Improving literacy and numeracy through industry training; assisting over 6,000 trainees per year in these areas.
- Achievement of industry skills standards: more than 3.7 million credits of national skills standards are attained each year in industry training, an average of 20 credits per trainee. Secondary students achieve over 300,000 industry skill standards and 1.2 million credits each year; tertiary students achieve over 900,000 industry skill standards and 4.2 million credits per year.
- Achievement of qualifications: approximately 35,000 national qualifications are achieved each year through industry training.
- The *'earn while you learn'* model of industry training which enables students to earn while training, reducing the burden of student loans[236].
- Assisting organisations and employers by addressing skills gaps and shortages, developing and retaining staff, creating productivity gains by improving quality, and providing career pathways.
- Delivering more for less: for an average investment of $1,000[237] per trainee per year, ITOs deliver on average 20 credits per trainee. The New Zealand system arranges training with less than one-third of the investment cost required in the Australian system.

The Industry Training Federation acknowledges, however, that improvements to the system are still required[238]. These include:

- Strengthening the connection between industry and schools; supporting the transition from school to work for secondary students.
- Developing qualifications that provide vocational pathways for secondary students.
- Connecting tertiary providers with industry and helping them to identify areas of under-provision.

229 http://www.tec.govt.nz/Funding/investment-plans/Information-for-organisations/Industry-Training-Organisations--ITOs/
230 http://www.nzqa.govt.nz/for-business/ito.do
231 http://www.itf.org.nz/assets/Publications/Delivering-Value-the-contribution-of-ITOs-to-NZ-vocational-education-and-training.pdf
232 http://www.tec.govt.nz/Funding/investment-plans/Information-for-organisations/Industry-Training-Organisations--ITOs/
233 http://www.itf.org.nz/assets/Publications/Delivering-Value-the-contribution-of-ITOs-to-NZ-vocational-education-and-training.pdf
234 Ibid.
235 Ibid.
236 Ibid.
237 Rs.36,905.
238 http://www.itf.org.nz/assets/Publications/Delivering-Value-the-contribution-of-ITOs-to-NZ-vocational-education-and-training.pdf

3. Country Reports

- Playing a greater role in the accreditation and quality assurance of vocational education training and qualifications.
- Working with industry to address skills shortages in management and leadership.
- Helping sectors and industry address long-term workforce development and capacity issues.
- Working with Government to ensure better access to work and training opportunities for the unemployed.

3.5.5 Lessons for India

3.5.5.1 Structure

- New Zealand's success in vocational education and training is not solely due to its small scale; rather, it is due to the clarity of structure and the clear remit of the organisations involved.
- In India, a central agency may be difficult to achieve due to its size and the number of agencies involved in vocational education and training. It may be possible, however, to locate one central quality control agency nationally (also housing the NVQF), independent from the funding and relevant government agencies, and institute smaller state (and regional) based offices, so that quality standards, applications and information can be directly transmitted between regional and federal levels.
- A cautionary point for India's sector bodies is in bureaucracy and levels of administration; New Zealand's successful system is due to rigorous checks and measures, but it is also due to the clarity of the frameworks and the practicability of the administration involved. India would be advised to spend significant time up front developing a practical, clear system with well-defined processes and guidelines.

3.5.5.2 Operations

- The tripartite responsibilities of New Zealand's ITOs are linked in a way that ensures the system is industry led: collaboration between ITOs and industry indicate areas of skills need; further collaboration with training providers (and employers) ensures that training places are allocated in those areas of need.
- The responsibility of ITOs to identify training areas and also to secure training places means that training is delivered where it is needed; the proximity of the training organisations and the close linking of funding to achievement also means that the ITOs can play an important role in assuring quality of delivery.
- India's proposed sector bodies could usefully incorporate lessons from ITOs in terms of procuring training places according to industry needs; this would also solve issues of quality assurance given the enormity of scale in India. Local and state level sector bodies would be able to liaise with local industry and employers to identify skills needs; liaison with local training providers and employers would allow for this need to be satisfied. Additionally, channelling funding for training places ensures better employer engagement and greater effectiveness within a sectoral skills system (see International Literature Review). A challenge may be in providing the manpower required to navigate the bureaucracy such applications would create.

3.5.5.3 Funding

- ITOs apply for funding on behalf of learners wanting industry training; the training is based on an agreement between the trainee and an employer. This method of ensuring that funding is based on actual demand significantly reduces the possibility of funding wastage by the sector bodies, and also ensures that ongoing funding for the learner's place is contingent on their achievement of conditions in the agreement with their employers.
- The funding agency (Tertiary Education Commission) is separate to the qualifications and approvals agency (New Zealand Qualifications Agency); this ensures more rigorous and transparent controls around funding and also reduces the risk of corruption.

3.5.5.4 Quality Assurance

- The quality assurance system in New Zealand is centrally controlled by the New Zealand Qualifications Authority, which encompasses the NZQF, standards and the quality assurance framework itself. Housing each of the quality assurance elements in the New Zealand system within one agency ensures that the quality level can be tightly controlled centrally, and reduces the risk of compromising quality through different agencies' interpretation of policies.

Sector Bodies in South Africa

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3.6 Sector Bodies in South Africa

3.6.1 Introduction

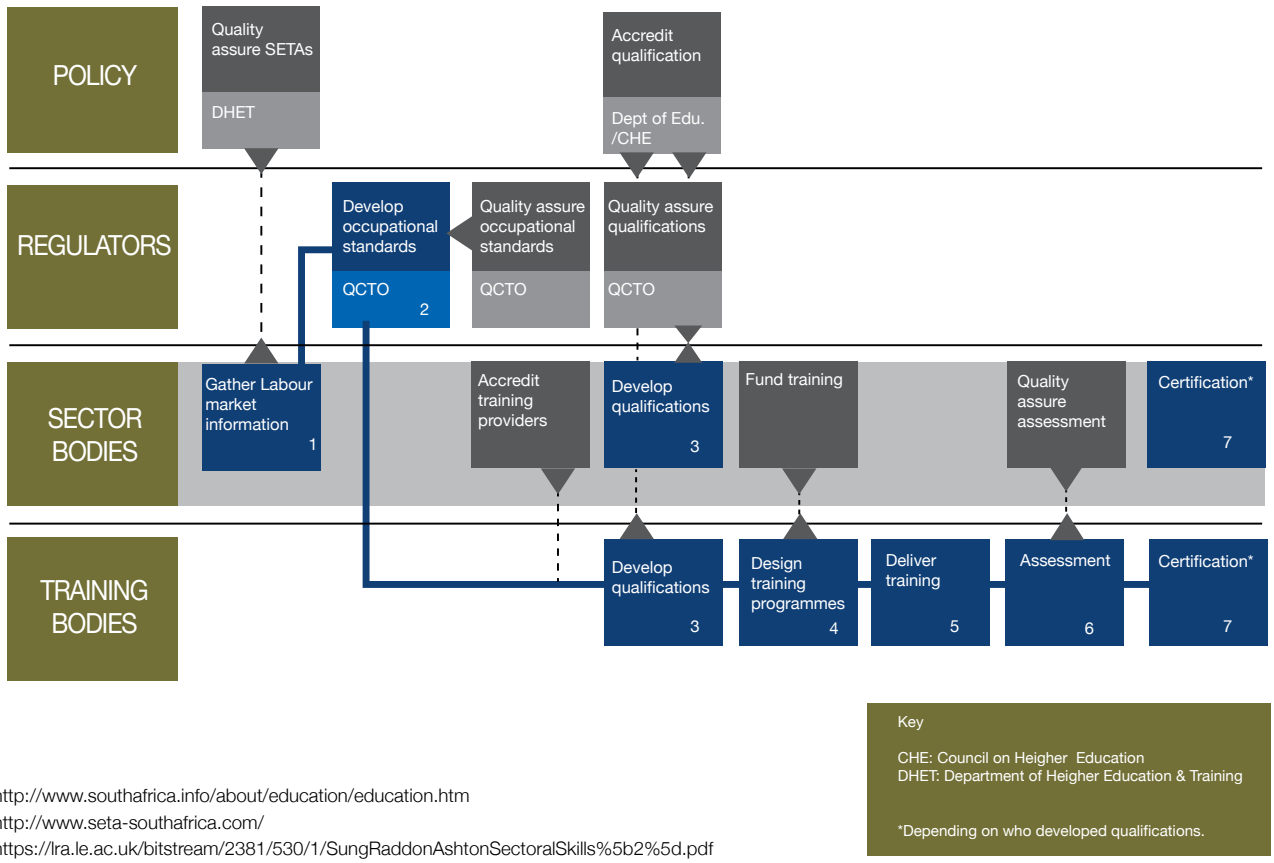
South Africa's apartheid era and its Bantu Act of 1953, which widened the educational gap between the European communities and indigenous black communities, has left a scar on the education rates of the black African population, and Government policy is seeking to amend this[239]. A significant challenge, however, is that over 50% of grade 12 graduates are not armed with the basic skills required to find work and almost 4.3 million people are unemployed[240]. Further challenges exist in creating greater equality, particularly for women, black workers and people with disabilities in an environment dominated by an informal economy and an HIV/AIDS epidemic[241].

The Government is currently addressing South Africa's skills shortage as a matter of urgency in order to avoid it hindering the economy[242]. Nearly 2.8 million young people[243] in South Africa are not in education, employment or training[244], which accounts for approximately 40% of the age group. This is largely attributed to a lack of appropriate skills, work experience and of higher education. Additionally further education training and higher education are experiencing low graduation rates and many are unable to finance their education[245]. The third National Skills Development Strategy (NSDS III) seeks to promote partnerships between the country's employers and its education institutions. These include Further Education and Training (FET) colleges, private training providers and SETAs[246].

3.6.2 System Map

The map below represents the forthcoming status of SETAs in the skills development system after quality assurance changes take effect with the new Quality Council for Trades and Occupations.

Figure 3.6.2 The Position of Sector Bodies in the South African Skills Development System



239 http://www.southafrica.info/about/education/education.htm
240 http://www.seta-southafrica.com/
241 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf
242 http://www.southafrica.info/news/business/469774.htm
243 Aged 18-24.
244 http://chet.org.za/webfm_send/564
245 http://www.dgmt.co.za/files/2011/05/Literature-Review-Strategy.pdf
246 http://www.southafrica.info/news/business/469774.htm

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3.6.3 Sector Bodies: Background

3.6.3.1 History

South Africa's Sector Education and Training Authorities (SETAs) were conceived in 1998. Their function, according to the National Skills Development Strategy framework, was to formulate sector skills plans to meet industry needs and to replace the pre-existing 33 industry training boards[247].

SETAs were formally established in the spring of 2000, each with responsibility for a clearly defined sector[248]. Their remit includes organising and administering levy grants and funds, developing sector skills development plans and strategies, developing and overseeing learnerships (a form of apprenticeships) and helping companies with workplace training[249]. While the training boards had focused primarily on apprenticeships, the SETAs' powers and responsibilities were to extend to learnerships, internships and unit based skills programmes. They were to collect skills levies from employers operating within their sectors and distribute the money accordingly to training bodies and employers engaged in training, as well as individuals in the form of grants and bursaries[250]. A 2004 review saw greater emphasis on rural activities and schemes for the provincial unemployed[251].

In 2009, the Department of Higher Education and Training announced that it would assume responsibility for skills, which had previously been the remit of the Department of Labour and in March 2011 SETA licences expired. This switch followed questions surrounding the governance of the SETAs as well as their performance. They had also failed to align their output to industry needs, most notably of artisans and technicians[252].

3.6.3.2 Structure and Funding

Members of the SETAs include government departments, professional bodies, trade unions and employers relevant to the appropriate sector[253].

As the changes to the SETA landscape are implemented between March 2011 and March 2016, South Africa will see a reduction of its 23 SETAs to just 21, 15 of which will be those already operating and six of which will be newly formed from existing SETAs or their sub-sectors[254]. The maximum size of a SETA management board will increase from 12 to 15 in order to include a ministerial appointee, a representative of a professional body and a community representative. Furthermore, independent chairs will no longer have voting rights on the board[255]. These amendments have led to the Higher Education and Training Minister being accused of contravening the provisions of the Skills Development Act by changing the SETAs' governance structures. A review has been called for and may delay any actual changes[256].

In accordance with the Skills Development Act (1998), SETAs collect a levy from private sector employers via the South Africa Revenue Service. This is set at 1% of the wage bill. Those taxed are companies which pay R250,000[257] or more per year in wages and are registered as PAYE (public and not-for-profit companies and those with a wage bill of less than R250,000 are not eligible to pay)[258]. The majority of this tax (70%) is reclaimed via grants for training provision, with 20% going to the National Skills Fund (NSF). The remaining 10% covers the SETAs' administration costs[259]. Where money is not claimed through grants, usually from larger organisations, surplus is used to promote development programmes for under-represented groups[260].

3.6.3.3 Footprint

In April 2011, the footprint and remit of many SETAs changed significantly[261]. Table 3.6.3 represents SETAs in their new form.

247 http://www.vocational.co.za/
248 Ibid.
249 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf
250 http://www.vocational.co.za/
251 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf
252 http://www.vocational.co.za/
253 http://www.fasset.org.za/about/default.asp
254 http://www.vocational.co.za/
255 http://www.fasset.org.za/about/default.asp
256 http://mg.co.za/article/2011-04-08-seta-overhaul-sparks-outrage/
257 Rs.17 lakh.
258 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf
259 Ibid.
260 Ibid.
261 http://www.saqa.org.za/show.asp?include=news/2011/coverage.html

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Table 3.6.3 Sector Bodies and their Footprint

SETA	Abbreviation	Footprint
Agriculture Sector Education Training Authority	AGRISETA	Agriculture.
Banking Sector Education & Training Authority	BANKSETA	Banking, micro-finance, financial mediation.
Chemical Industries Education & Training Authority	CHIETA	Chemical industries.
Construction Education and Training Authority	CETA	Construction, electrical contracting.
Culture, Arts, Tourism, Hospitality and Sport Sector Education Training Authority	CATHSSETA	Arts and culture, hospitality, sport, recreation, fitness, gaming, lotteries, tourism and travel services.
Education, Training and Development Practices	ETDP SETA	Government education departments, political parties, research institutions, education and training NGOs, trade unions, schools, training providers.
Energy and Water Sector Education & Training Authority	EWSETA	Energy, water.
Finance, Accounting, Management Consulting and Other Financial Services	FASSET	Finance, accounting, management consulting, other financial services.
FoodBev SETA	-	Food and beverages manufacturing.
Fibre Processing Manufacturing SETA	-	Forestry, furniture, pulp, paper, wood products, printing, packaging; clothing, textiles, footwear, leather[262].
Health and Welfare Sector Education and Training Authority	HWSETA	Hospitals, nursing, veterinary services, optical/ optometric services, social work.
Media, Information and Communication Technologies SETA	MICTS	Media, information systems, electronics, telecommunications[263].
Insurance Sector Education and Training Authority	INSETA	Insurance.
Local Government Sector Education Training Authority	LGSETA	Council workers, ward councillors, traditional leaders, the unemployed.
Manufacturing, Engineering and Related Services	MERSETA	Metal and engineering, auto manufacturing, motor retail and component manufacturing, tyre manufacturing, plastics industries.
Mining Qualifications Authority	MQA	Mining, minerals.
Public Service Sector Education & Training Authority	PSETA	Public sector.
Safety & Security	SASSETA	Policing, private security, legal practice, metro policing, justice, correctional services, defence, intelligence, traffic law enforcement.
Services SETA	-	Cleaning, domestic, general business, labour recruitment, marketing, personal care, project management, property, postal.
Transport Education & Training Authority	TETA	Aerospace, forwarding and clearing, freight handing, maritime, rail, road freight, road passenger, taxi.
Wholesale & Retail SETA	W&RSETA	Wholesale, retail.

262 This represents a merger of some of the functions of the former Media, Advertising, Publishing, Printing and Packaging SETA (MAPPP SETA), the Clothing, Textiles, Footwear and Leather SETA (CTFLSETA), and the Forest Industries Education and Training Authority (FIETA).

263 Was the Information Systems, Electronics and Telecommunication Technologies SETA (ISETT), and has also taken over some of the former functions of MAPPP SETA.

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3.6.3.4 Operational Role

The Skills Development Act of 1998 (amended in 2010), states that the remit of each SETA is to[264]:

- Develop a sector skills plan within the framework of the national skills development strategy.
- Implement its sector skills plan by:
  - Establishing learning programmes;
  - Approving workplace skills plans and reports;
  - Allocating grants to employers, education and skills providers and workers;
  - Monitoring education and skills provision in the sector.
- Promote learning programmes by:
  - Identifying employers for work placements;
  - Supporting the development of learning materials;
  - Improving training provision.
- Perform any functions delegated by the Quality Council for Trades and Occupations (QCTO).
- Collect skill development employer levies, and disburse them accordingly.
- Collaborate with the National Skills Authority on the national skill development strategy and its sector skills plan.
- Collaborate with the QCTO regarding the development of occupational standards.

At present, SETAs are accredited by the South African Qualifications Authority (SAQA) to quality assure standards and qualifications through their Education and Training Quality Assurance (ETQA) function[265]. These functions involve[266]:

Quality assurance of training

- The accreditation of training providers.
- The promotion of quality among training providers.
- Monitoring provision.

Quality assurance of assessment

- Evaluating assessment and facilitating moderation among training providers.
- Registering assessors.
- Certification of learners.
- Co-operation with moderating bodies.
- Recommending new or amended standards and qualifications to National Standards Bodies.

Upon the launch of the new Quality Council for Trades & Occupations (QCTO), the SETAs will have part of their quality assurance function removed[267]. The SETAs will retain responsibility for monitoring both training providers and workplaces, but the QCTO will be responsible for:

- Developing, designing and maintaining occupational standards and qualifications, and submitting them to SAQA for registration on the National Qualifications Framework.
- Quality assuring occupational standards and qualifications, together with workplace learning[268].

3.6.3.5 Quality Assurance

SETAs are monitored by the Department of Higher Education and Training (DHET), which undertakes research on their effectiveness and performance. SETAs are also accountable to the Department of Higher Education and Training; they are required to submit a report each financial year outlining:

- Their performance in terms of the responsibilities established in the Skills Development Act (1998).
- Their annual business plan.

The Minister for Higher Education and Training is able to impose a service level agreement on a SETA if one is not able to be developed between the SETA and the Director-General of Higher Education and Training[269].

3.6.4 Sector Bodies: Performance and Issues

Governance

SETAs' boards have often failed to agree on a set of priorities, leading to delivery failure. A focus on numerical targets has been to the detriment of the SETAs' overall quality and impact. Additionally, they have experienced a high turnover of chief executives[270].

Conflict and changes in governance have been key perceived failings in SETAs. In November 2009, the Department of Higher Education and Training (DHET) announced that it would assume responsibility for SETAs, which until that time had been the responsibility of the Department of Labour. The changes were, it claimed, necessary due to perceptions of mismanagement. Over the course of the SETAs' first five years, the Department of Labour reported that 20 of the 25 SETA Chief Executives had left their posts; these departures were a combination of voluntary resignations and less amicable procedures[271].

264 http://www.saqa.org.za/docs/legislation/acts/2010/act97.pdf
265 http://www.saqa.org.za/docs/brochures/nqf_setas.pdf
266 Ibid.
267 http://lgseta.co.za/Newsletters/QCTO%20doc.pdf
268 http://www.saqa.org.za/docs/qcto/policy/design.pdf
269 http://www.saqa.org.za/docs/legislation/acts/2010/act97.pdf
270 http://www.commerce.uct.ac.za/Research_Units/DPRU/PBriefsPDF/PDFs/PolicyBrief08-21.pdf

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Since taking responsibility for the SETAs in 2009, the Minister for Higher Education and Training has faced legal challenges and allegations of attempting to politicise SETA operations. These charges are due to sweeping reforms that include the placement of government officials on SETA boards, the reduction in numbers of SETAs and the allocation of some SETA funds (Services SETA, in particular) into the central Skills Development Fund[272]. The situation has worsened in recent months, with the suspension of the Services SETA Chief Executive, who had launched legal action against the Minister; his primary concern was that the changes proposed by the Minister 'stripped organised business and labour of all their authority', placing control directly in the hands of the Government. In May 2011, media reports indicated that a judge had upheld Services SETA's challenge, ruling that the Minister's conduct was not legal[273].

Remit

A 2008 review of SETAs[274] by the University of Cape Town's Development Policy Research Unit (DPRU) identified a number of areas in which SETAs, or the policy framework surrounding them, were falling short. Competing, and often conflicting, expectations and policy mandates are one area; the DPRU recommended that the system needed to distinguish between primary and secondary objectives (so that SETAs were not set an impossible role in terms of breadth of objectives), and also not to set objectives which could potentially conflict with each other (such as ensuring equity alongside growth).

In 2009, the DHET noted that a number of failings in the current system precipitated restructure and change, including[275]:

- Widespread negative perceptions about the performance and management of SETAs; and
- Inadequate alignment of industry needs with skills supply.

In December 2010, the Minister for Higher Education and Training noted that his department 'would take a more hands-on approach in the governance and management of SETAs'. He also noted that he would work to end the practice of delivering short courses; only a third of training courses facilitated by SETAs lead to full qualifications[276].

Lack of delivery

According to SETA critics, levy payments were taken soon after formation and expectations were high, as stakeholders expected immediate service delivery. The SETAs were slow to input the necessary systems and deliver their core functions and it was three years before they were able to deliver. During this time costly external consultants were brought in to oversee the key SETA functions (non-core functions are legally permitted to be outsourced)[277].

Wasted resources are also a key criticism of SETAs; developing, registering and implementing a new learnership is resource intensive and time consuming, taking anything from two to three years. In some cases, new learnerships have been designed and registered unnecessarily; no direct industry need was discernable. Further delays are frequently experienced as training providers must wait to be accredited by the Education and Training Quality Assurance (ETQA), and providers and workplace assessors are identified. This is particularly a problem when no FET colleges or other providers are available[278].

Lack of ownership

According to SAQA, SETAs' initial focus on the core (sector-based) components of qualifications has resulted in qualification fragmentation; in particular, the fundamental components (e.g. communication and numeracy) of qualifications are fragmented, as are their design, delivery and quality assurance[279]. Unclear responsibilities between Umalusi and SETAs also led to each one denying responsibility for quality assuring fundamental components of qualifications, and stating that it was the responsibility of the other – with the upshot that many training providers failed to offer the relevant fundamental components, meaning that their learners could not qualify at the end of their courses[280].

Further confusion on the role of SETAs is imminent with the anticipated launch of the Quality Council for Trades and Occupation (QCTO), which is set to take qualification accreditation responsibilities from SETAs. A new proposed body has also been suggested in the informal media, but has not yet been announced formally; the SA Quality Council (SAQC) would incorporate organisations relevant to testing, certification and accreditation and would form 'an umbrella federation board for professional development and registration, to start work in 2011 on setting quality training and practice standards'[281]. The implications for SETAs are unknown.

3.6.5 Lessons for India

3.6.5.1 Structure

- India must ensure careful criteria for board membership to ensure equity of representation; the recent proposals of the Department of Higher Education and Training have led to allegations that the SETAs are being politicised and industry is losing its autonomy.

271 Ibid.

272 http://mg.co.za/article/2011-04-08-seta-overhaul-sparks-outrage/

273 http://mg.co.za/article/2011-05-27-minister-battles-for-control-of-services-seta/

274 http://www.commerce.uct.ac.za/Research_Units/DPRU/PBriefsPDF/PDFs/PolicyBrief08-21.pdf

275 http://www.vocational.co.za/

276 http://www.polity.org.za/article/dhet-to-take-a-more-hands-on-approach-in-seta-governance-2010-12-07-1

277 http://www.commerce.uct.ac.za/Research_Units/DPRU/PBriefsPDF/PDFs/PolicyBrief08-21.pdf

278 http://www.commerce.uct.ac.za/Research_Units/DPRU/PBriefsPDF/PDFs/PolicyBrief08-21.pdf

279 http://www.saqa.org.za/docs/critguide/qa-fundamentals.pdf

280 Ibid.

281 http://sheqafrica.com/seta-constitution/

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- The 'ownership' of SETAs by a single department has led to conflict with and potential interference by Government in South Africa. Ideally, India should ensure that its sector bodies are managed by an independent body representative of all key stakeholders (industry, employees, training providers and government).
- Excessive bureaucracy is a key issue in South Africa. Significant delays in creating appropriate qualifications can mean that they are not truly responsive to industry needs. Clear lines of reporting and management, as well as direct and effective links with industry, will ensure that this situation does not occur in India.
- Poor governance as well as disagreements with unions and employers on how SETAs should operate is blamed for a lack of perceived impact, such as in the informal economy[282]. The Indian system should denote clear responsibilities and lines of reporting to ensure that sector bodies have appropriate authority and impact.

3.6.5.2 Operations

- While numeric targets can be important, Indian sector bodies also need to focus on impact. Giving sector bodies purely numeric targets in South Africa has caused them to focus on achieving operational targets rather than achieving real impact on the quality of skills delivery.
- Learnerships in South Africa are an effective means of allowing for employer input, ensuring that actual industry demand is met.
- Little cross-sectoral collaboration is evident in South Africa; neither are SETAs' reports on labour market and skills needs standardised between sectors. This is a lost opportunity; India should ensure that their sector bodies are not just responsible for quality control, but also for sectoral information dissemination.

3.6.5.3 Funding

- Collection and disbursement of employer levies has not been transparent in South African SETAs; this has led to allegations of mismanagement of funds. If an employer levy is introduced, Indian sector bodies should have tight and transparent controls over fund management.

3.6.5.4 Quality Assurance

- Changes in governance have led to confusion over which government departments have ultimate controls over SETA operations and quality assurance; Indian sector bodies should have clear lines of reporting and regular quality checks.
- SETAs' responsibilities for quality assurance of training providers and qualifications are shortly to be split; the consequences for the ongoing delivery of vocational education and training are not clear. Indian sector bodies should have the lines of responsibility clearly drawn, and any divisions in terms of quality control must be managed through close relationships with other quality assurance bodies.
- The responsibility of SETAs as quality control bodies may have compromised their effectiveness as labour and workforce development indicators; as sectoral bodies, they have the prime position from which to assess industry needs. Indian sector bodies should ensure that the responsibility of sector bodies to ensure industry involvement and the development of training to meet their needs is a key priority.

282 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf

The Indian Context

4. The Indian Context

4.1 Introduction

The skills development landscape in India has changed dramatically over the past five years with the development of the 11th Five Year Plan and the introduction of the National Skills Development Policy. The aggressive target of skilling 500 million people by 2022 has warranted a complete change of policy and operation in terms of upgrading existing facilities and expanding current capacity. Projects include the upgradation of Industrial Training Institutes (ITIs) and Industrial Training Centres (ITCs), the introduction of a national vocational qualifications framework and the development of modular employable skills to capitalise on the unorganised sector, which constitutes 93% of the workforce.

With the advent of the 12th Five Year Plan, consultation is commencing as to the progress of developments and the direction to be taken in the future. The scale of the solutions required, and the difficulties of measuring progress and ensuring implementation, are significant. The Indian skills landscape is complex and bureaucratic, with lack of clarity in terms of responsibility and reporting. India is nevertheless optimistic about its progress.

4.2 Overview

In 2006, the World Bank identified the challenges of India's vocational education system as *'changing realities'* (globalisation, competitiveness and the knowledge economy) and *'established realities'* (demographic pressures and financial constraints)[283]. Central to this was the challenge of creating a skilled workforce, and the fact that in the current system, there was no clear way in which industry and education could communicate their needs; in short, supply and demand had no mechanism through which they could be matched.

The 11th Five Year Plan (2007-12) and the National Skill Development Policy both utilised funding from the World Bank, focusing on not only increasing the supply of skilled labour in India, but also improving the quality of existing provision. The central target of the National Skill Development Policy was to create 500 million skilled people in India by 2022; this target was ambitious not just for its scale, but also for the changes it would necessitate in current training provision – while the target figure required the training of 15 million people per year, annual training capacity at that time was just over 3 million per year.

India's skills shortage differs from those being experienced by many Western countries by virtue of the fact that the country is not experiencing a drop in workforce numbers due to age – rather, it has the opposite problem; an abundant potential workforce exists, but one which is not trained. The key target for new jobs comes from the unorganised sector, which represents 93% of employment opportunities[284].

According to Symbiosis, a Maharashtran training organisation, the ten most significant challenges in vocational education and training are:

- High drop out rates at secondary level.
- Lack of take-up of vocational programmes at upper secondary level (only 40% of the available capacity is used).
- Employers wanting staff with strong basic academic skills, not vocational skills.
- Lack of private sector and industry participation.
- Rigid regulations and lack of opportunities to upgrade skills continuously.
- Lack of teachers and training; no specific qualifications for vocational teachers.
- Poor quality training.
- Undefined pathways and progression routes.
- No clear system of vocational education and lack of certification/degrees.
- Expansion of the vocational sector is happening without regard to fixing the existing issues.

Initiatives for improvement included the introduction of modular qualifications to target the unorganised sector, the improvement of existing infrastructure and the introduction of quality regimes such as a National Qualifications Framework. While some of these initiatives have seen progress, many have stalled in recent years. The failure to achieve significant and visible progress is due to one key factor in India: scale. The sheer enormity of the changes required and the challenge of implementing them across federal and state governmental structures, not to mention in actual training institutions and with individuals, are too complex to comprehend. Additionally, apparent competition, divisions and excessive bureaucracy at government level have hampered opportunities to develop and embed significant change.

The 12th Five Year Plan is currently in development and represents the potential for real change and improvement to occur. Uniquely, the Plan is being developed in consultation with a number of policy and industry influencers, enabling them to identify not only challenges, but solutions for skills development in India. Organisations such as the Federation of Indian Chambers of Commerce & Industry (FICCI) have identified excessive bureaucracy and corruption as real blockages to progress; other organisations like Symbiosis raise the point, which perhaps is not emphasised enough, that expansion is occurring in India without sufficient attention being paid to finding and implementing solutions to existing problems.

283 http://info.worldbank.org/etools/docs/library/235724/skills%20development%20in%20india%20the%20vocational%20education%20and%20training%20system.pdf

284 http://avetra.org.au/wp-content/uploads/2010/04/102.00-Greg-McMillan.pdf

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4.3 Economic and Social Factors

4.3.1 Demographic Trends

In the 2011 Indian census, the population was reported as being 1.21 billion people, with a growth rate of 18% over the last decade[285]. The current population, broken into age groups, is composed of 30% aged 0-14, 65% aged 15-64, and 5% aged 65 and over. The median age for males is 25.6 years and 26.9 for females[286].

By 2022, around 860 million people will be in the 15-59 age group; there are currently 725 million[287]. As a result of the growing young population, the dependency ratio is falling and by 2025 will have decreased from 0.6 to 0.5. The dependency ratio of Western countries is predicted to rise in that time[288].

4.3.2 Economy

4.3.2.1 GDP Growth

India is the second fastest growing economy worldwide after China. The United States Government predicts that India is likely to become the world's third largest economy by 2030, and the largest by 2050[289]. Recent GDP growth in India demonstrates that the economy has experienced strong recovery from the global financial crisis[290].

Table 4.3.2.1 GDP Growth in India

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11[291]
9.5%	9.6%	9.3%	6.8%	8.0%	8.6%

Despite a 'softening' in growth to prevent the economy from overheating, the Confederation of Indian Industry (CII) believes that 8.5% growth is feasible in 2011-12, provided that significant increases in capacity and services occur[292]. In order to reach a more aspirational 10% GDP, CII predicts that *'education would have to be the centre of reforms and skill development would need a massive step up'*[293].

In June 2011, however, the Indian Government expressed concern over its GDP predictions for 2011-12, noting that the policies implemented by the Royal Bank of India to reduce inflationary pressures would hurt national economic growth. At the same time, the International Monetary Fund (IMF) predicted that the Indian economy would expand by 8.2% in 2011. While this is the same as the rate predicted in April 2011, it is markedly lower than the 10.4% growth experienced in 2010. The IMF suggests that growth will continue to slow, with a predicted rate of just 7.8% in 2012. It also suggests that India should be wary of likely spending overruns, based on the growth in fuel and food subsidies in the past few quarters[294].

A series of economic scandals, including allegations of corruption in the granting of telecom licences which may have cost the Government US$39 billion[295], is leading to a decline in confidence in economic leadership. One commentator noted that India is experiencing *'rudderless leadership and misplaced priorities over economic policy'*[296].

4.3.2.2 Sectors and Growth Industries

At their broadest definition, there are three major sectors in India: Agriculture, Industry and Services. Agriculture, at present the predominant employment sector, is predicted to experience a 6% drop in size by 2022[297].

285 http://censusindia.gov.in/2011-prov-results/indiaatglance.html
286 http://www.indexmundi.com/india/demographics_profile.html
287 http://www.ficci.com/SPdocument/20073/IMaCS.pdf
288 http://www.nsdcindia.org/pdf/ima-paper.pdf
289 http://economictimes.indiatimes.com/news/economy/indicators/india-likely-to-be-largest-economy-by-2050-robert-blake/articleshow/8890406.cms
290 http://www.ciionline.org/uploads/Theme%20Presentation%20to%20Media%20on%2025th%20April%202011.pdf
291 Anticipated growth.
292 http://www.ciionline.org/uploads/Theme%20Presentation%20to%20Media%20on%2025th%20April%202011.pdf Ibid.
293 Ibid.
294 http://www.moneycontrol.com/news/economy/indian-economy-to-grow-822011-says-imf_558302.html
295 Rs.170,000 crore
296 http://af.reuters.com/article/worldNews/idAFTRE75G1HA20110617?pageNumber=2&virtualBrandChannel=0
297 http://www.ficci.com/SPdocument/20073/IMaCS.pdf

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Table 4.3.2.2 Sector Growth to 2022

Year	GDP Growth Projection	Agriculture	Industry	Services
2011-12	9%	47%	22%	31%
	7%	47%	21%	31%
	5%	48%	21%	31%
2016-17	9%	43%	23%	34%
	7%	44%	22%	33%
	5%	45%	22%	33%
2021-22	7-9%	41%	23%	36%

According to the 11th Five Year Plan, there are 20 sectors expected to drive the economy between 2007 and 2012. They include:

- Auto and Auto Components
- Building and Construction Materials
- Building and Construction
- Real Estate Services
- Electronics and IT Hardware
- Education and Skill Development Services
- Food Processing
- Gems and Jewellery
- Healthcare
- Textiles
- Leather and Leather Goods
- Organised Retail
- Tourism and Hospitality
- Transportation and Logistics
- Media and Entertainment
- Banking, Financial Services and Insurance (BFSI)
- Chemicals and Pharmaceuticals
- Furniture and Furnishings
- IT
- IT Enabled Services (ITES)

4.3.3 Labour Force

4.3.3.1 Size and Forecasts

In 2010, India's labour force was estimated to be 478 million, the second largest in the world behind China. 52% of the labour force is employed in the agriculture sector, with 34% employed in the service sector and 14% in industry. The unemployment rate is 11%, ranking it 118th in the world[298]. Of India's current workforce of 478 million, only about 8% are involved in the formal economy; 92% are therefore in the 'unorganised sector'[299] . The percentage of the workforce involved in the unorganised sector is predicted to grow further[300].

298 https://www.cia.gov/library/publications/the-world-factbook/geos/in.html

299 The informal, or unorganised, sector is defined as consisting of the production of products and services designed to generate income for the producer. Employment is often casual and/or based on personal relations and there is little organisation involved.

300 http://www.ficci.com/SPdocument/20073/IMaCS.pdf

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Table 4.3.3.1 Informal and Formal Sector Employment

Year	GDP	Employment (in millions)			
		Formal	Informal	Total	% Informal
2011-12	9%	34.5	453.1	487.6	92.9%
	7%	34.1	442.2	476.3	92.8%
	5%	33.8	431.4	465.2	92.7%
2016-17	9%	33.9	522.0	555.9	93.9%
	7%	33.0	490.5	523.5	93.6%
	5%	32.3	461.0	493.3	93.5%
2021-22	7-9%	6-7%	94-95%	-	-

4.3.3.2 Skills Capacity

It is estimated that 1% GDP growth creates 800,000 to 1 million new jobs in India[301]. A survey undertaken by the NSDC indicated a skills gap of 250 million trained people in 20 high growth industries and the unorganised sector by 2022[302] . FICCI estimates that the required capacity for training the workforce (new entrants as well as partly upskilling existing workers) is 15 million per year. This number is required specifically from vocational training programmes, as the skills required come from this area of educatio[303] .

Further, only 5% of the workforce has *'marketable skills'*, as compared to the normal 50-60% in other countries[304]. High levels of self-employment are also evident. According to the National Commission for Enterprise in the Unorganised Sectors (NCEUS), *'wage workers'*, or those employed by others, only constituted 36% of the unorganised sector between 2004 and 2005; 64% were self-employed[305].

4.3.3.3 Skills Requirements

The skills requirement, as well as some of the skill sets required, by industry are as follows[306]:

301 http://115.113.225.49/Annual%20Review/PDF/Annual_Report_Combine.pdf
302 http://www.nsdcindia.org/pdf/ima-paper.pdf
303 http://www.ficci.com/SPdocument/20073/IMaCS.pdf
304 Ibid.
305 http://nceuis.nic.in/Skill_Formation_and_Employment_Assurance_in_the_Unorganised_Sector.pdf
306 http://chfinternationalindia.org/Upload/SkillFormation/2.Basab%20@%20CHF%20IIMB%20040211.pdf

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Table 4.3.3.3 Skills Requirements Per Sector

Sector	Incremental skills requirement (millions)	Skills in demand
Informal employment sectors (beauty, security, domestic help)	37.6	Not noted
Auto and Auto Components	35	Auto Component Manufacturers, Drivers, Sales, Servicing, Repair, Insurers and Valuers
Building and Construction	33	Crane Operators, Electricians, Welders, Masons, Plumbers, Carpenters, Painters
Textiles	26.2	Power loom operators, apparel manufacturing, fashion design, knitwear manufacturing, sewing machine operators
Transportation and Logistics	17.7	Not noted
Organised Retail	17.3	Shop floor executives, back-store operations, merchandising
Real Estate Services	14	Not noted
Healthcare	12.7	Not noted
Food Processing	9.3	Not noted
Education and Skill Development Services	5.8	Computers, Telecom, and Consumer Electronics Manufacturing, Sales, Servicing/After Sales Support of electronics goods, High-Tech
IT and ITES	5.3	IT – Software Engineering, Maintenance and Application Development, End-to-End Solutions, Infrastructure Management, Testing, etc. ITES – BPO, KPO – Legal, Medical, STM, Analytics and Research
Gems and Jewellery	4.6	Jewellery Fabrication, Grading, Faceting, Polishing, Cutting
Leather and Leather Goods	4.6	Tanning, Cutting, Clicking, Stitching, Lasting, Finishing
Banking, Financial Services and Insurance	4.2	Financial Intermediaries (including Direct Selling Agents), Banking and Insurance (including agents), NBFC, Mutual Funds
Tourism and Hospitality	3.6	Front office staff, F&B Services and Kitchen and Housekeeping staff, Ticketing and Sales, Tour Guides
Furniture and Furnishings	3.4	Carpenters, Operators engaged in Stitching, Sewing, Stuffing
Electronics and IT Hardware	3.3	Not noted
Media and Entertainment	3	Not noted
Chemicals and Pharmaceuticals	1.9	Not noted
Building and Construction Materials	1.4	Not noted

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For further information, the NSDC has commissioned comprehensive Human Resource and Skill Requirements reports in each of the 22 different sectors identified as requiring Sector Skills Councils. They are available on the NSDC website[307] .

4.4 Policy Landscape

India is characterised by a complex and diffused bureaucracy. With 17 national level ministries and 28 states and territories underneath a federal structure, there is, as the NSDC states, 'no one solution' available to skills development challenges[308].

According to the World Bank, a key issue is fragmentation of the system and duplication of effort. In terms of vocational education and training, accountability and management for the vocational education and training system is shared between various national policy makers and state-level agencies, with little co-ordination between the two[309].

4.4.1 Governance

4.4.1.1 Federal

At a federal level, responsibility for education in India is split. There are 17 ministries and departments at national level with some responsibility for imparting skills education and development[310]. Two ministries in particular, however, have primary control and accountability for skills education and development. All education falls under the Ministry of Human Resource Development (MHRD), including Higher and Technical Education. Vocational training, however, is considered more related to employment than to education, and so is governed by the Ministry of Labour and Employment (MoLE) - more specifically, the Directorate General of Employment and Training (DGET).

The All India Council for Technical Education (AICTE) is the regulatory body for technical education, and as such, falls into the Ministry of Human Resource Development's remit. It focuses on quality in vocational education, planning and development of a coherent system, and maintenance of standards[311].

The National Council on Vocational Training (NCVT) is responsible for setting standards and curriculum, as well as providing certification for recognition of prior learning (RPL)[312]. It falls under the Directorate-General of Employment and Training, and also looks after the Industrial Training Institutes (government-run training institutions) and Industrial Training Centres (privately-run training institutions).

The National Skill Development Corporation (NSDC) was established as a not-for-profit company under the Ministry of Finance. Its equity base is subsidised partly by the Government (49%) and partly by the private sector (51%). The NSDC constitutes a 15 member Board and a National Skill Development Fund. The Board is responsible for the umbrella co-ordination of the initiatives related to skills development across the 17 central ministries and departments[313]. Its remit includes the development of strategies and operational guidelines to address issues such as regional imbalances in infrastructure; social, economic and regional divides; achieving return on investment in skills; quality of provision; and promoting apprenticeships and workplace training. It is also responsible for operating a 'National Skill Inventory and National Database for Skill Deficiency Mapping', which provides a portal for individuals and employers to seek information on skill demand[314]. The NSDC is responsible for contributing 30% of funding towards the target of creating 500 million skilled people by 2022 through funding and initiatives[315].

The Prime Minister's National Council on Skill Development is an advisory body composed of representatives from the Ministries of Finance, Heavy Industry and Public Enterprises, Rural Development, Housing and Urban Poverty Alleviation, Labour and Employment; representatives from the NSDC, the Planning Commission and the National Manufacturing Competitiveness Council.

307 http://www.nsdcindia.org/knowledge-bank/index.aspx.

308 http://chfinternationalindia.org/Upload/SkillFormation/2.Basab%20@%20CHF%20IIMB%20040211.pdf

309 http://info.worldbank.org/etools/docs/library/235724/skills%20development%20in%20india%20the%20vocational%20education%20and%20training%20system.pdf

310 http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11v1_ch5.pdf

311 Ibid.

312 Ibid.

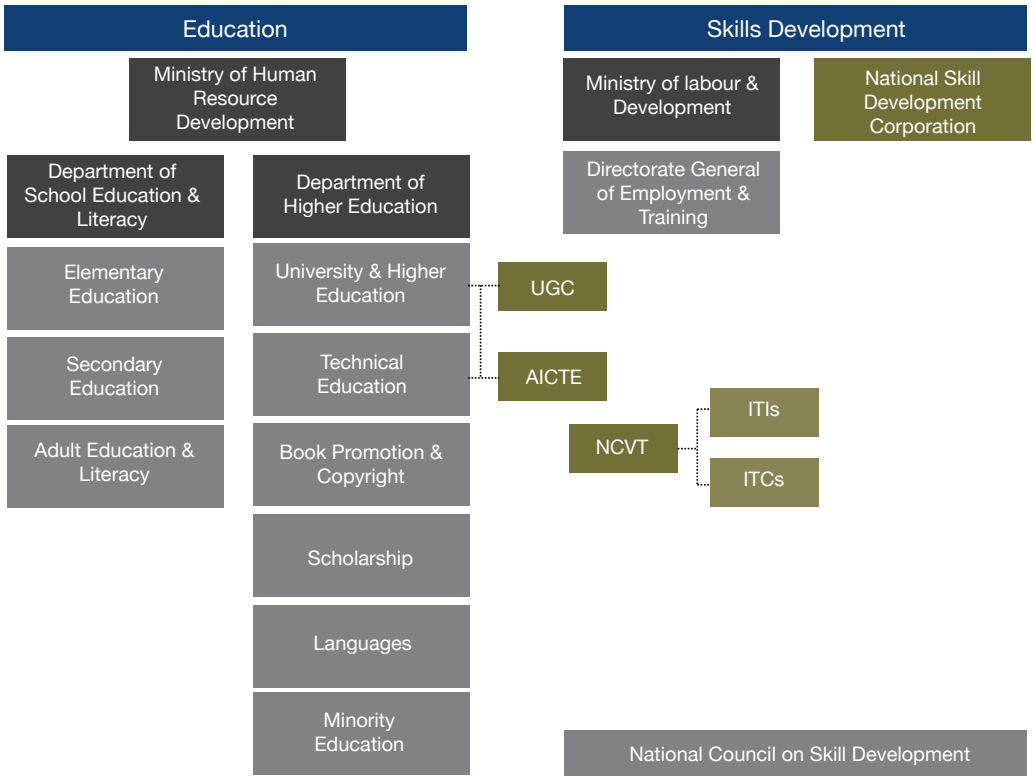
313 http://www.planningcommission.nic.in/reports/genrep/skilldev/rep_skilldev1.pdf

314 Ibid.

315 http://www.ficci.com/SPdocument/20073/IMaCS.pdf

4. The Indian Context

Figure 4.4.1.1 Current Federal Governance Structure



4.4.1.2 State

Central and state governments share responsibility for skills education, with the Directorate-General of Employment and Training co-ordinating policy efforts at a national level. State governments have each established their own co-ordination bodies for skills development and vocational education programmes[316].

There is no central list of state-level government departments responsible for vocational education and training; in some state governments responsibility appears to be split between the Education and the Labour departments, echoing the same split at federal level between MHRD and MoLE. The table below lists, and provides links where available, to the state level departments and directorates with most apparent responsibility for vocational and technical education and training.

316 `http://www.planningcommission.nic.in/reports/genrep/skilldev/rep_skilldev1.pdf

4. The Indian Context

Table 4.4.1.2a Governance at State Level

State	Governance
Andhra Pradesh	Directorate of Education and Training
Arunachal Pradesh	Department of Education
Assam	Department of Technical Education
Bihar	Department of Human Resource Development (no website)
Chhattisgarh	Directorate of Technical Education
Goa	Directorate of Technical Education
Gujarat	Commissionerate of Technical Education
Haryana	Department of Technical Education
Himachal Pradesh	Department of Technical Education, Vocational and Industrial Training
Jammu and Kashmir	Directorate of Technical Education
Jharkhand	Department of Labour, Employment and Training
Karnataka	Directorate of Vocational Education
Kerala	Directorate of Vocational Higher Secondary Education Directorate of Technical Education
Madhya Pradesh	Technical Education and Manpower Planning (no website)
Maharashtra	Directorate of Technical Education
Manipur	Department of Labour
Meghalaya	Department of Education, Youth and Sports
Mizoram	Department of Higher and Technical Education (no website)
Nagaland	Directorate of Technical Education
Orissa/Odisha	Directorate of Technical Education and Training
Punjab	Department of Technical Education and Industrial Training
Rajasthan	Department of Technical Education
Sikkim	Department of Human Resource Development
Tamil Nadu	Directorate of Technical Education
Uttar Pradesh	Department of Technical Education (website not in English)
Uttarakhand	Directorate of Technical Education
West Bengal	Department of Technical Education and Training

Table 4.4.1.2b Governance at Territory Level

Territory	Governance
Andaman and Nicobar Islands	Department of Labour
Chandigarh	Directorate of Technical Education
Dadra and Nagar Haveli	Directorate of Technical Education and Training (no website)
Daman and Diu	Department of Labour and Employment
Lakshadweep	Department of Labour and Labour Welfare
National Capital Territory	Directorate of Technical Education and Training (website not accessible)
Pondicherry	Directorate of Higher and Technical Education

4. The Indian Context

4.4.2 Skills Reforms and Initiatives

4.4.2.1 World Bank Recommendations (2006)

According to the 2006 World Bank report into the Indian education system, the Government planned at the time to increase the participation in vocational education from 5% to 25% of total secondary enrolment. In order to support the achievement of this goal, the report suggested the adoption of reforms that are similar to those included in the 2005 Central Advisory Board for Education (CABE) report on the Universalisation of Secondary Education. They included[317]:

- Ensuring private sector participation in managing institutions and designing the curriculum.
- Strengthening the general education component of curricula.
- Funding and budget allocations - moving from a publicly-funded system to one funded by the private sector and student fees.
- Ensuring progression routes and outcomes are clear.

The World Bank advocated the establishment of the National Council for Vocational Training (NVCT) as a central organising body for vocational education and training, whilst still sitting under DGET as the principal policy making body. It also recommended that state level bodies are accountable to the NCVT[318]. Both of these recommendations were realised with the approval of the *'Coordinated Action on Skill Development',* as proposed by the Planning Commission. In the medium term, the World Bank also recommended the establishment of a national qualifications framework, which *'needs to be managed by the National Coordinating Authority but implementation must be left to the states'*[319].

4.4.2.2 National Skills Development Policy

The Coordinated Action on Skill Development was designed to achieve the economic and social goals of the 11th Five Year Plan[320]. It focuses on creating a skilled labour force that meets the needs of the economy. In order to implement the Action, the Prime Minister's National Council on Skill Development was established, comprising representatives from the Ministries of Finance, Human Resource Development, Micro, Small and Medium Enterprises, Rural Development, Housing and Urban Poverty Alleviation, and Labour; also representatives from the Planning Commission, the National Manufacturing Competitiveness Council, the National Skill Development Corporation and six external skill development experts[321].

One of the Council's targets was the creation of 500 million skilled individuals by 2022. Some of the initiatives cited in supporting the delivery of this target include[322]:

- Creating programmes under which learners can pay providers directly;
- Making skills 'bankable'; and
- Enabling individuals to achieve higher-level qualifications through recognition of prior learning.

The plan also encouraged the development of multiple delivery models that could be adopted and adapted according to the needs of different states; it also encouraged the use of existing educational infrastructure (schools) for adult and further learning outside of school hours[323].

One of the key initiatives for achieving the target of 15 million training places per year (and 500 million by 2022) included the formation of the National Skills Development Policy[324], whose mission is to *'empower all individuals through improved skills, knowledge, nationally and internationally recognised qualifications to gain access to decent employment and ensure India's competitiveness in the global market'*[325]. It covers institution based skills development (ITIs, ITCs, vocational schools and technical colleges), learning initiatives of sectoral skills development (as organised by ministries/departments), formal and informal apprenticeships, self-employed and entrepreneurial development, adult learning and retraining, non-formal training, and e-learning and distance learning[326].

In order to reach the target of 500 million skilled people by 2022, the NSDP proposed to[327]:

- Expand public institutions in rural areas.
- Use innovative delivery models such as mobile and decentralised delivery, including e-learning.

317 http://info.worldbank.org/etools/docs/library/235724/skills%20development%20in%20india%20the%20vocational%20education%20and%20training%20system.pdf

318 Ibid.

319 Ibid.

320 The 11th Five Year Plan runs from 2007 – 2012.

321 http://www.planningcommission.nic.in/reports/genrep/skilldev/rep_skilldev1.pdf

322 Ibid.

323 Ibid.

324 http://www.ficci.com/SPdocument/20073/IMaCS.pdf

325 Ibid.

326 Ibid.

327 http://labour.nic.in/policy/NationalSkillDevelopmentPolicyMar09.pdf

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- Use skill development centres rurally to provide training information, guidance and delivery.
- Involve local municipal bodies (panchayats) and local government in skill delivery mechanisms.
- Improve access to apprenticeships.
- Raise female participation in training by introducing the Women's Vocational Programme (under the Directorate-General of Employment and Training)..

4.4.2.3 The National Skills Development Corporation

Information on the establishment of the NSDC has been outlined in Section 4.4.1, Governance. The NSDC plans to achieve its mandate by focusing on three *'pillars'*[328]:

- Creating large, quality vocational institutions and skill development centres.
- Funding: reducing risk by providing 'patient capital' and improve returns by providing *'viability gap'* funding[329].
- Enabling the necessary support systems, including sector bodies (which it is terming Sector Skills Councils), quality assurance systems, Train the Trainer, and setting standards.

According to the NSDC website, it will also partner with industry organisations to determine skills standards and accreditation systems[330].

Since 2010, NSDC has signed a number of agreements and formed joint ventures (JVs) with education companies in India. In October 2010, reports indicated that Infrastructure Leasing and Financial Services (IL&FS) was in final discussions with the NSDC regarding their planned JV to set up 100 skill development centres. According to the NSDC, IL&FS will hold 73% of the equity in the venture, with the remaining 23% contributed by NSDC. The programme, focusing on skills in the leather, textiles and general engineering sectors, aims to deliver 1.9 million skilled workers in the next five to seven years[331].

In April 2011, the NSDC reportedly formed a JV with Everonn Education to train 15 million people in 21 sectors by 2022.

NSDC has agreed to invest 27% of the equity in Everonn Skill Development Ltd (ESDL), a wholly owned subsidiary of Everonn Education. The JV plans to provide training in 271 locations across India, with a total investment requirement of Rs.154 crore. Through course fees, which range from Rs.3,000 to Rs.24,000 for the first nine sectors, ESDL has the potential to make Rs.14,400 crore in revenue over the next ten years; the company expects to increase their skill development revenue from 5% to 24% in the period. The first nine courses range from 30 days to six months in textiles and apparel, retail, hospitality, automobile, healthcare, construction, IT and ITES, basic engineering and multimedia[332].

In May 2011, the NSDC signed a Memorandum of Understanding with the Central Bank of India (CBI) to promote and finance vocational education and training. Under the agreement, the CBI will provide finance for young people training with partner institutions; TeamLease was the first programme to be financed, with their training in IT and BFSI[333].

More information on the funding provided by the NSDC is available under Section 4.5: Funding for Vocational Education and Training.

4.4.2.4 Qualifications Framework Development

The development of the National Vocational Qualifications Framework (NVQF) has been debated for some years, with involvement from a number of different ministries and agencies. Although the mandate for developing the framework was given to the NCVT in 2009[334], work is currently being led variously by DGET, the World Bank/ILO, AICTE and MHRD. The Ministry and Labour and Employment took the initiative in developing the NVQF and floated an Expression of Interest for this in 2009 which had over 50 applications. A series of discussions and consultations followed, with the support of the European Union and other international experts. In 2011, DGE&T held a further series of international workshops on the NVQF.

A World Bank/ILO round table event on NVQF development was reportedly held in Delhi in February 2011[335]. This consultation reviewed the experiences of 16 different countries with

328 http://womentraining.gov.in/general/moreaboutus.htm

329 The terms 'patient capital' and 'viability gap' funding appear to refer to the practice of providing long term, drip-fed funding, and the practice of only funding where there is a clear gap in provision; the aim appears to be risk reduction.

330 http://www.nsdcindia.org/our-work/advocacy.aspx

331 http://articles.economictimes.indiatimes.com/2010-10-06/news/27588804_1_nsdc-participation-in-manpower-training-skill-development

332 http://articles.economictimes.indiatimes.com/2011-04-18/news/29443887_1_national-skill-development-corporation-internal-accruals-everonn-education

333 http://www.nsdcindia.org/pdf/cbi-ties-with-nsdc.pdf

334http://labour.nic.in/policy/NationalSkillDevelopmentPolicyMar09.pdf

335http://www.bibb.de/en/57518.htm

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established qualifications frameworks, using a paper published on the subject by the ILO[336]. A further workshop was held in May 2011, with the presentation of a paper outlining options for the development of the Indian NVQF. The ILO and the World Bank, jointly leading the process, emphasised the importance of including social partners and stakeholders in the development process[337].

The National Vocational education Qualifications Framework (NVeQF), is reportedly being developed separately under MHRD and in workshops held by the AICTE. The MHRD itself is involved in developing the framework, with the formation of a Group of State Education Ministers (for vocational education) in order to recommend a system and develop a plan for implementation. The Group includes Ministers from Karnataka, Andhra Pradesh, Maharashtra, Gujarat, Chhattisgarh, Haryana, Punjab, Rajasthan, West Bengal, Bihar, Assam and Mizoram. The Group is due to submit their report on a framework design and implementation plan by 31 July 2011. In order to ensure cooperation with development of the NVEQF, the MHRD has also constituted a cooperative group of members of different agencies and ministries. This group, the Co-ordination Committee, includes four representatives from MHRD and representatives from the UGC, AICTE, the National Institute of Open Schooling (NIOS), the Central Board of Secondary Education (CBSE), NSDC and the Institute of Advanced Management and Research[338]. Representatives from CII and FICCI were reportedly also present at the development meeting[339]. A pilot project, driven by the NSDC, has now been initiated in Haryana under its Board of Secondary education. Four sectors has been chosen for the pilot: IT/ITeS, Security, Auto and Retail. The four relevant nascent Sector Skills Councils are now developing National Occupational Standards as the first step.

More information about the design of the proposed framework is available in Section 4.7.1.1: The National Vocational Qualifications Framework.

4.4.2.5 Modular Employable Schemes

The delivery of the Modular Employable Skills (MES) scheme is being offered as part of the Skills Development Initiative Scheme (SDIS). The scheme was developed by MoLE as a way of targeting early school leavers and existing workers, particularly in the unorganised sector. The ambition of the scheme is to provide employable skills; existing skills can also be tested and certified (recognition of prior learning). The MES is *'transforming skill development from long term skill acquisition periods (1-2 years) to short term (about 3 months)'*[340].

MES focuses on short, modular qualifications, which reduce learning time and drop-out rates. It also enables qualification of the unorganised sector, which constitutes 93% of India's labour force[341]. The programmes are developed in conjunction with industry, and are designed to be the minimum level of skills acceptable for employers[342].

To promote the participation of the private sector, the DGET is allowing private training providers to register and offer qualifications[343]. CII is the National Assessing Body for the MES scheme, and had by the end of 2010 assessed over 96,700 trainees across the country[344]. In March 2011, state representatives highlighted to the National Skills Development Coordination Board that implementation of MES programmes was being hampered by insufficient infrastructure and *'cumbersome'* regulations for registering training providers and trainees[345]. Quality of the MES courses is also an issue, as is cost; according to the Chairman of TeamLease, the cap of Rs.15 on fees for some MES courses is seriously affecting their quality[346].

More information is available in Section 4.7.1.2.

4.4.2.6 Institution Creation and Upgradation

According to the CII, one of the major issues for graduates of ITIs was the lack of work available for graduates; lack of quality and a mismatch of supply and demand were cited as primary reasons. Employers also cited dissatisfaction with the calibre of graduates from ITIs, noting that they *'lack even basic understanding of their trades'*[347].

336 http://www.ilo.org/newdelhi/whatwedo/eventsandmeetings/lang--en/WCMS_155005/index.htm

337 Ibid.

338 http://indiaeducationdiary.in/Showlatest.asp?newsid=7992

339 http://indiaeducationdiary.in/Showlatest.asp?newsid=7992

340 http://www.ficci.com/SPdocument/20073/IMaCS.pdf

341 http://avetra.org.au/wp-content/uploads/2010/04/102.00-Greg-McMillan.pdf

342 http://www.dget.nic.in/mes/index.htm

343 http://www.ficci.com/SPdocument/20073/IMaCS.pdf

344 http://115.113.225.49/Annual%20Review/PDF/Annual_Report_Combine.pdf

345 http://planningcommission.gov.in/reports/genrep/skilldev/min_6thmeeting.pdf

346 http://planningcommission.gov.in/reports/genrep/skilldev/min_6thmeeting.pdf

347 http://www.dget.nic.in/WorldBank/FICCIPr/PPT5CII.ppt

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As a result, a major initiative within the Skill Development Initiative is the upgradation of existing facilities. The upgradation programme operates in two ways[348]:

- Upgradation of facilities through World Bank and Government of India funding. Under this scheme, 500 ITIs are to be upgraded in total, with 400 funded by the World Bank and 100 funded by the Government.
- Upgradation of facilities through Public-Private Partnerships. Under this scheme, 1396 ITIs are to be upgraded (300 each year from 2007/08 to 2011/12). An Industry Partner is appointed to lead the upgradation process, and also lead the Institute Management Committee. The Institute Management Committee is given an interest free loan of up to Rs.2.5 crore, which is repayable over 30 years, by Central Government.

Media reports in 2009, however, noted that only 7% of the Rs.5,291 crore funding earmarked for the upgrades had been used. Furthermore, reports indicate that industry partners seemed reluctant to enter into PPPs to upgrade Government-run facilities, with only Rs.42 crore being used of the estimated Rs.3,500 crore. Challenges reported by the Government include the failure to attract private sector funding and reluctance on the part of existing ITIs to embrace new methodologies.

As part of the skills improvement mandate, new Skill Development Centres and ITIs are to be completed across India. The plan to establish 50,000 Skill Development Centres and 1,500 ITIs is being delivered through the DGET. As of May 2011, the NSDC reports, more than 160 districts nationwide have NSDC-funded centres offering skills training[349].

4.4.2.7 Unorganised Sector Initiatives

The unorganised sector, constituting over 90% of the labour force in India, is viewed as having great potential for contributing to the target figure of 500 million skilled workers by 2022. The National Commission for Enterprises in the Unorganised Sector (NCEUS) recommended in 2009 that the proportion of formal training for unorganised sector workers needed to increase from 2.5% (2004-2005) to 50% by 2022[350]. It also recommended that the unorganised sector be recognised as requiring different policy and procedures from the formal sector.

A key proposal from the NCEUS report was the introduction of 'Skill Formation and Employment Assurance', which would guarantee a training placement to all registered youth in the unorganised sector. The scheme is targeted at young people from poor areas, with at least a primary education; by providing them with employment for six months, it also provides them with transferable work skills. The funding requirement for the scheme would be Rs.10,000 per individual, which would cover workplace training and employment costs, certification and incentives for the employer. NCEUS estimates that by allocating Rs.10,000 crore[351] to the project over five years, the current training capacity could be increased by 2 million people per year. As they point out, however, the success of the scheme is wholly dependent on the willingness of other agencies, employers and the current infrastructure to accommodate it[352].

The NSDP also recommends developing the unorganised sector through initiatives such as[353]:

- Deploying mobile training vans to remote areas.
- Enabling public institutions greater autonomy in designing training for the unorganised sector.
- Providing flexible delivery mechanisms for training.
- Developing short-term training modules to encourage participation.
- Providing informal apprenticeships; skilling local-level trainers into master craftsmen.
- Providing literacy and soft skills training.
- Delivering training in entrepreneurship and self-employment.
- Enabling lifelong learning and recognition of prior skills.

Quality of existing training in the informal sector is also a serious issue. The World Bank states that ITIs and ITCs are failing in their duty to train workers for informal sector; only 10% of graduates became self-employed or employers, and only 5% joined the unorganised economy. The reason given by the World Bank is that ITIs and ITCs do not teach any of the soft skills required to start up or manage a business. The World Bank suggests that the training needs of the informal sector may be better met by local NGOs providing training than by trying to reorientate ITIs and ITCs. Relevance is also an issue in apprenticeships, which have high participation rates (50-70% of employees in micro enterprises) but little employment in the

348 http://www.ficci.com/SPdocument/20073/IMaCS.pdf

349 http://www.nsdcindia.org/pdf/skill-matter.pdf

350 http://nceuis.nic.in/Skill_Formation_and_Employment_Assurance_in_the_Unorganised_Sector.pdf

351 Rs.1000 crore.

352 http://nceuis.nic.in/Skill_Formation_and_Employment_Assurance_in_the_Unorganised_Sector.pdf

353 http://labour.nic.in/policy/NationalSkillDevelopmentPolicyMar09.pdf

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actual trade in which the participant trained; this is often due to a mismatch in supply and demand[354].`

4.4.2.8 Confederation of Indian Industry

CII has launched its own Skill Development Initiative, which is aligned to the NSDP mandate to achieve 500 million skilled workers by 2022. As part of its work, it has introduced a number of projects, including:

- Establishing a Skills Centre in Madhya Pradesh to train people in bar bending, welding and grinding[355]. A Skill Development Centre was also established in Himachal Pradesh in 2010, in association with the Indian Institute for Skills Development[356].
- Establishing the 'Swavalamban' Project in association with the Hindustan Petroleum Corporation Limited (HPCL), in which each year young people are given training in various vocational skills, including plumbing, two-wheeler repair and maintenance, retail and BPO/Call Centre. The programme is accredited using the standards of City & Guilds, which is committed to *'organising proper training'*[357]. In 2011 the project opened a chapter in Andhra Pradesh[358].
- Developing international partnerships with South Africa (training 100 apprentices from South Africa in Bangalore), Afghanistan (establishing a vocational training centre in Kabul), Brazil (disseminating technical education and skills development), Korea (developing an e-learning module for industrial control and welding) and Switzerland (enhancing co-operation in skills development) [359].
- Signing a Memorandum of Understanding with the Ministry of Overseas Indian Affairs for the skills development and pre-departure work with potential emigrant worker[360].

Among the action points and solutions it suggests in its Annual Plan for 2011 – 2012 are the creation of[361]:

- Four CII 'skill development hubs' and 30 district-level 'skill gurukuls'.
- A Sector Skills Council in Logistics/Warehousing and Foundry.
- An NVQF in consultation with the Government, the ILO and the World Bank.
- An 'Indian Idol' for skills.

Another of their proposed education initiatives is the launch of 'Skillpedia', an online portal designed to enable the matching of supply and demand of skills across India[362]. A launch date for the project is not known. CII also plans to hold a series of one day conferences between 2011 and 2012 to address the challenges and solutions in the vocational sector[363].

4.4.2.9 Federal and State Ministries

According to the 11th Five Year plan, the Ministry of Labour and Employment (MoLE) was responsible for a number of initiatives, including[364] :

- Creating 500 Centres of Excellence from existing ITIs.
- Upgrading 1,396 ITIs in public-private partnerships.
- Creating 1,000 new ITIs in rural and remote areas.
- Establishing MOUs with state governments and ITIs to agree outcomes.

Under the 11th Five Year Plan, the Ministry of Human Resource Development (MHRD) was given responsibility for initiatives in polytechnics and in vocational education generally[365]:

- Upgrading 400 government polytechnics.
- Running polytechnics in double shifts to maximise capacity.
- Expanding vocational education from 9,500 senior secondary schools to 20,000.
- Progressively moving vocational education earlier into secondary education.

While they do not have responsibility for vocational education, each of the following ministries are undertaking initiatives for skill development: Ministry of Textiles, Ministry of Rural Development, Ministry of Urban Development and Poverty

354 http://info.worldbank.org/etools/docs/library/235724/skills%20development%20in%20india%20the%20vocational%20education%20and%20training%20system.pdf

355 http://www.cii.in/Sectors.aspx?enc=prvePUj2bdMtgTmvPwvisYH+5EnGjyGXO9hLECvTuNttP/oGsVu5A70LTxgbaQRW

356 http://www.cii.in/PolicyAdvocacyDetails.aspx?enc=fGPJ7g9Fbrq50ujHs0GSsRPzGLhUlxfC7F66Evj/FVuQbxVkzKR0vXARtLQcJ3FcEdbIN+iZT8XEApi3CmcIqA==

357 http://www.cii-skillsdevelopment.in/skill_project/project_swavlamban.htm

358 http://www.educationandhra.com/news/cii-hpcl-swavalamban-project-vocational-training-for-unemployed-youth-csr-activity-by-industry-body-to-empower-youth/

359 http://www.cii.in/Sectors.aspx?enc=prvePUj2bdMtgTmvPwvisYH+5EnGjyGXO9hLECvTuNttP/oGsVu5A70LTxgbaQRW

360 Ibid.

361 http://www.ciionline.org/uploads/Theme%20Presentation%20to%20Media%20on%2025th%20April%202011.pdf

362 http://115.113.225.49/Annual%20Review/PDF/Annual_Report_Combine.pdf

363 Ibid.

364 http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11v1_ch5.pdf

365 Ibid.

4. The Indian Context

Alleviation, Ministry of Micro, Small and Medium Enterprises and Ministry of Food Processing Industries[366].

At state level, the 11th Five Year plan lists the following activities for state governments[367]:

- Upgrade the State Councils of Vocational Training.
- Allow greater institutional autonomy; *'govern at arm's length'*.
- Modernise existing ITIs with better technology.
- Create plans for improving existing infrastructure.
- Ensure accountability through developing Personnel Policies.

4.4.3 The 12th Five Year Plan

In an attempt to create a more inclusive and consultative strategy, India's 12th Five Year Plan is being developed in concert with a number of different agencies and focus groups. One of the five key challenges identified was *'enhancing skills and faster generation of employment'*. Five different agencies highlighted unequal access to skills education as a key issue; they also noted the different levels of access to education across gender, geographic and caste groups. Four sources highlighted the lack of vocational education and the lack of practical learning within existing education pathways[368]. FICCI, in particular, highlighted the lack of *'experiential learning'*; it also said that the informal sector is a key issue[369].

Another challenge identified by the various consultant groups was *'improved access to quality education'*. The feedback from the contributing groups indicated that the quality of teachers, inadequate infrastructure, and lack of effective monitoring and supervision were the most common challenges. CII particularly noted *'lack of employability'* to be an issue; FICCI concurred and also noted that geographical spread of higher education facilities was a significant problem. According to FICCI, only 20% of Indian professional colleges are located in rural areas, despite the fact that 65% of India's population is rurally based[370].

In terms of recommendations, a majority of sources indicated that vocational training programmes should become part of the mainstream schools curricula. FICCI and CII both indicate that all states should be encouraged to establish their own Skill Development Corporation (like the NSDC). FICCI continues to recommend joint ownership of Skill Development Schools by federal and state governments, each subsidising the centres by 25%[371]. Both FICCI and CII also recommended that private sector participation in the education sector needs to be provided with incentives; CII noted that the private sector could also be involved in teacher training, technological advances and building training centres[372].

11 of the 13 sources consulted for the 12th Five Year Plan noted that a lack of accountability and transparency was a key factor leading to corruption in India. FICCI, in particular, noted that there were no accountability mechanisms for government officials and departments. Six sources noted that there were significant *'implementation gaps'* where officials and state governments had no interest in implementing federally-sanctioned projects. The combination of these two issues was noted as contributing to generally poor levels of public service delivery in India[373].

FICCI noted that the following solutions could enable the speed and scale of the implementation required, which is unique to India[374]:

- Targeting skills development at *'all layers of the skill pyramid'*.
- Introducing vocational programmes in schools.
- Using a modular skills training approach to create a large pool of talent.
- Focusing on quality.
- Using technology to achieve the necessary scale.
- Introducing mechanisms to assist institutions with developing content, delivery and assessment.
- Accelerating the introduction of Sector Skills Councils.
- Establishing a *'National Human Resource Market Information System'*.

366 http://www.ficci.com/SPdocument/20073/IMaCS.pdf

367 http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11v1_ch5.pdf

368 http://12thplan.gov.in/12fyp_mgr/suggestions/docs/28_Listening%20to%20India%20-%2012th%20Plan.pdf

369 Ibid.

370 Ibid.

371 Ibid.

372 Ibid.

373 Ibid.

374 Ibid.

4. The Indian Context

4.5 Funding for Vocational Education and Training

4.5.1 World Bank Proposals

According to the World Bank, funding for vocational education and training in India is too narrowly focused on publicly provided training; it should be used instead to encourage improvement in the general quality of training or to encourage employers to train their own staff[375]. Funding is not linked to performance; once an institution is granted funding, it remains regardless of performance. Institutions also have little incentive to meet market demand[376].

The World Bank also notes that the funding model used by state agencies is inconsistent and very difficult to understand; additionally, as not all state agencies fall under MHRD or MoLE, the data can be difficult to source[377]. Possible reforms proposed by the World Bank in 2006 included different *'resource mobilisations',* for example making students pay for courses or charging firms a training levy. Other solutions proposed were the introduction of a national co-ordinating agency, a training fund and competition for funds[378]. All of these proposals have since been implemented.

4.5.2 National Skills Development Corporation

The NSDC provides funding for *'businesses that seek to create employable people across all sections of society'*. It provides three different kinds of funding, at up to 75% of the project cost: debt at subsidised rates, equity and grant funding[379].

In May 2011, the NSDC approved funding for four further projects, which together would produce more than 14 million skilled people over 10 years in sectors including agriculture, alternative energy, automobile, building and construction, banking, financial services and insurance, electronics and IT hardware, healthcare, hospitality, telecoms, IT and organised retail[381].

The National Skills Development Fund was created as a Government-owned trust, with the key beneficiaries as *'the youth of India, which require skill development and vocational training'*[382]. It was established with Rs.995 crore from the Government and also accepts funding and donations from private businesses, statutory bodies, state governments and financial institutions[383].

4.5.3 Ministry of Labour and Employment Funding

The MoLE funding allocation for the 11th Five Year Plan totalled Rs.10,951 crore. Funding for various schemes included[384]:

The funding granted to May 2011 by the NSDC includes[380]:

Status	Number	Funding (Rs. Crore)	Training Capacity per Annum (million)	Proposal Name/Parties
Approved and funded	10	161	1.3	IIGJJ, B Able, Gram Tarang, iSkill, Edubridge, Empower, Pratham, Gras, iStar
Approved by Board	12	447	6.4	Centum, IL&FS, ASDC, CREDAI, MERC, IISD, TMI, Globsyn, Everonn, JobCorp, IIJT (TeamLease), TalentSprint

375 http://info.worldbank.org/etools/docs/library/235724/skills%20development%20in%20india%20the%20vocational%20education%20and%20training%20system.pdf

376 Ibid.

377 Ibid.

378 Ibid.

379 http://chfinternationalindia.org/Upload/SkillFormation/2.Basab%20@%20CHF%20IIMB%20040211.pdf

380 Ibid.

381 http://www.nsdcindia.org/pdf/skill-matter.pdf

382 http://www.planningcommission.nic.in/reports/genrep/skilldev/rep_skilldev1.pdf

383 http://www.planningcommission.nic.in/reports/genrep/skilldev/rep_skilldev1.pdf

384 http://www.ficci.com/SPdocument/20073/IMaCS.pdf

4. The Indian Context

Table 4.5.3 Ministry of Labour and Employment Funding Allocation

Scheme	Investment (in Rs. Lakh)
Qualitative and quantitative improvement of vocational training, for example: • Setting up new ITIs • Establishing an apex institute for skill development in the informal sector • 4 teacher training institutes • Establishing Directorate for Certification, Standardisation and Quality Control • Setting up National Mission for Skills	852,100
Establishment of new ITIs in north eastern states	7,560
Skill Development Initiative with PPP	54,500
Upgradation of 500 ITIs as Centres of Excellence	165,000
Testing and certification of workers in informal sector	450

4.5.4 Directorate General of Employment and Training Funding
DGET spending between 2007 and 2012 appears to have outstripped its budget significantly (figures in Rs.crore)[385] .

Table 4.5.4 Directorate General of Employment and Training Spending, 2007-10 (Rs. crore)

Approved spend 2007-12	2007-08		2008-09		2009-10
	Approved outlay	Actual spend	Approved outlay	Actual spend	Approved outlay
282.12	108	1,086	314	1,083	1,134

4.6 Employer and Industry Participation

According to the World Bank, in 2006, employers were experiencing problems finding employees with the right skills from ITIs and ITCs. The World Bank also reported that before 2006 there was little industry involvement in education and training; this is changing, however, and many employers are now expressing interest in becoming involved[386]. Anecdotally, some employers express concern about the new Qualifications Framework, citing potential interference from government authorities into their in-house training schemes. They also fear losing staff once they have been provided with training[387].

The National Skills Development Policy (2009) lists ten roles and responsibilities for industry[388]:

- Identifying competencies and setting standards.
- Analysing skill demand and participating in curriculum development.
- Facilitating training of trainers.
- Delivering training, monitoring and evaluation.
- Participation in examination and certification.
- Participation in affiliation and accreditation.
- Sharing of workplace experience, machinery and equipment.
- Providing physical, financial and human resource support.
- Facilitating employment of trained people.
- Owning skill development activities.

385 http://www.ficci.com/SPdocument/20073/IMaCS.pdf

386 http://info.worldbank.org/etools/docs/library/235724/skills%20development%20in%20india%20the%20vocational%20education%20and%20training%20system.pdf

387 http://avetra.org.au/wp-content/uploads/2010/04/102.00-Greg-McMillan.pdf

388 http://chfinternationalindia.org/Upload/SkillFormation/2.Basab%20@%20CHF%20IIMB%20040211.pdf

4. The Indian Context

Further, the NSDC lists ways in which companies can *'lead change'*[389]:

- Establish *'collaborative skill development centres'*.
- Partner with the NSDC.
- Demand employees that are workplace ready.
- Be willing to pay for placement fees.
- Encourage employees to act as workplace trainers and assessors.
- Reward lifelong learning.
- Refund training fees to encourage retention.
- Support the development of SSCs.
- Work with the skill development centres and make them aware of requirements..

In their 2010-11 Annual Review, the Confederation of Indian Industry (CII) listed four key enablers for sustainable development: education, employability, innovation and entrepreneurship. CII includes 'employability' as one of its key focus areas for 2011 to 2012, noting particularly the lack of a NVQF, the demand for certified skilled labour and the constraints of scale as major challenges[390]. It appears that in some areas industry may be adopting measures similar to those that have already been proposed but not yet implemented by government. NASSCOM, the 'premier trade body' and the chamber of commerce for the IT-BPO[391] industry in India, has over 1,200 members (both Indian and international). In its 2009-10 Annual Report, it outlined the ways in which it was seeking to develop skills in the sector: namely, in the introduction of a National Skills Registry and the NASSCOM Assessment of Competence. The proposed National Skills Registry is a centralised database of qualifications and skills information of employees in the sector; employers can use this information to verify the skills of current and prospective employees. The NASSCOM Assessment of Competence is an assessment and certification framework intended to provide a continual pool of talent, and assist Government and providers with understanding industry training needs[392].

4.7 Learners and Qualifications

4.7.1 Qualifications and Progression Routes

At present, vocational qualifications are available primarily after secondary school, although some schools provide vocational and technical courses in grades XI and XII. Vocational programmes are conducted through ITIs (publicly funded) and ITCs (privately funded), as well as at private colleges and via apprenticeships. The introduction of the NVQF will enable horizontal progression between vocational and academic streams of education, which currently is not available. Modular Employable Skills schemes will also enable people without secondary levels of education to enrol in short courses to facilitate employability.

389 Ibid.

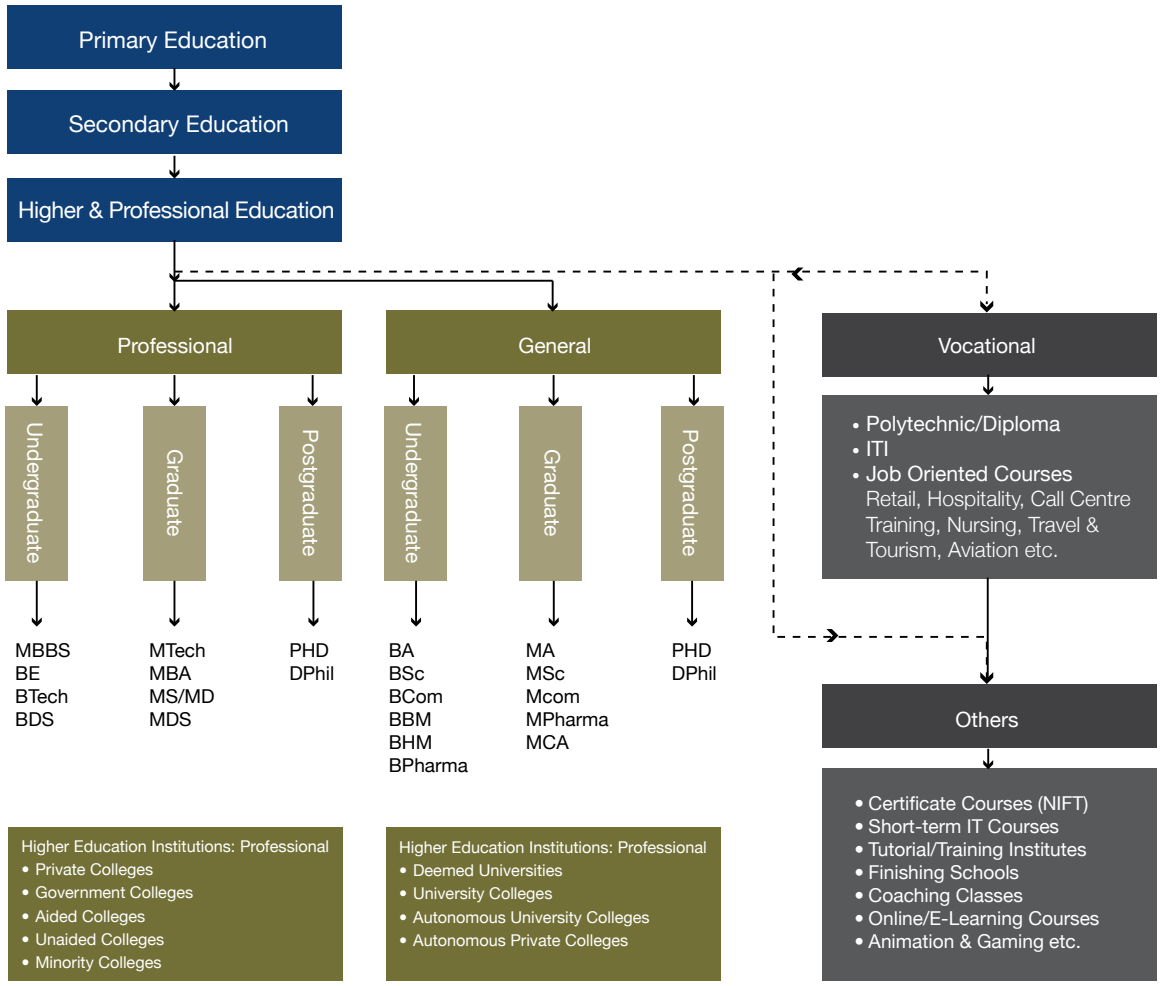
390 http://www.ciionline.org/uploads/Theme%20Presentation%20to%20Media%20on%2025th%20April%202011.pdf

391 Business Process Outsourcing

392 http://www.nasscom.in/upload/Nasscom-Annual-Report.pdf

4. The Indian Context

Figure 4.7.1 Current Indian Education Framework[393]



Source: Dr Sandhya Chintala (NASSCOM)

4.7.1.1 The National Vocational Qualifications Framework

The NVQF, as defined by the National Skill Development Policy (2009), will have the following features[394]:

- Competency-based qualification and certification.
- Certification for learning achievements and qualifications.
- A range of national qualification levels.
- Modular qualifications that can be accumulated.
- Quality assurance to promote portability of skills.
- Lifelong learning and recognition of prior learning.
- Vocational and academic learning pathways.
- Careers guidance for individuals.
- Comparability of general and vocational qualifications.
- National framework for affiliating and accrediting institutions.
- Multiple certification and accreditation agencies.

The NSDC shows the current education qualification system as running directly from 10th grade (senior school certificate) to 12th grade (higher school certificate) to Graduate to Postgraduate to PhD. In the current system, there is no vocational provision at all. In their recommended system, they have not only included vocational elements but also bridging courses to link the two streams[395].

393 http://planningcommission.nic.in/reports/genrep/skilldev/sub_accrd.pdf

394 http://www.scdl.net/Downloads/VocationalUniversityConceptNote.pdf

395 Ibid.

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The NSDC also notes that determining lifelong learning pathways, and formulating qualifications based on levels would be beneficial. Under this system levels 1 and 2 are basic introductory level qualifications, suitable for those without secondary education. Basic literacy skills have been placed between levels 2 and 3. The levels appear similar to those in the Australian model, with degree qualifications at Level 8[396].

The following table demonstrates the possible qualifications and income associated with levels of the NVQF; levels without information have not been defined.

Table 4.7.1.1a Qualifications and Income levels for NVQF

Level	Educational Attainment	Qualification	Sample Job	Entry level income (per month, Rs.)
1	No secondary education	-	Apprentice welder	2,000 – 3,000
2	10th grade level	Certificate level II	Level 1 welder	3,500 – 4,500
3				
4		Diploma/Certificate IV	3G welder	6,000
5				
6		Advanced specialisation/ Certificate VI	6G TIG	10,000
7				
8		Professional degree/ Certificate VIII	Supervisor	10,000

The NVQF also shows equivalence between different education streams and bridging courses to enable horizontal progression[397]:

Table 4.7.1.1b NVQF Equivalence in Education Streams

General Education Qualifications	Vocational Qualifications	ITI/ITC Qualifications	Polytechnic Qualifications	HE Qualifications
				Post doctoral
				PhD
				M.Phil
				Masters
			Advanced Diploma	Bachelor
			Diploma	
Certificate of Higher Education	Certificate II	Trade certificate II	Certificate II	
	Certificate I	Trade certificate I	Certificate I	
Certificate of Secondary Education		Bridging course		
		Certificate in Craftsmen Training		

396 Ibid.

397 http://chfinternationalindia.org/Upload/SkillFormation/2.Basab%20@%20CHF%20IIMB%20040211.pdf

4. The Indian Context

4.7.1.2 Modular Employability Skills

One key element of the National Skill Development Policy is a focus on Modular Employability Skills, which provides certification for skills and learning gained informally.

The scheme currently has 1,122 courses, including[398]:

- Automotive repair
- Banking and accounting
- Beauty culture and hairdressing
- Hospitality
- ICT
- Electronics
- Production and manufacturing
- Construction
- Security
- Agriculture
- Soft skills
- Insurance

The key features of the scheme include the utilisation of existing infrastructure (e.g. using school facilities outside normal school hours), flexible delivery mechanisms (e.g. weekend, evening and off-site training availability), different levels of learning (foundation to upgrading skills), informal testing and certification of skills by external verification agencies[399]. The curriculum is designed by identifying employable skills in conjunction with industry, developing learning modules, vetting of course material by a trade committee, and final approval from the NCVT[400].

Assessments are conducted four times per year by external agencies, and the assessment fee is between Rs.300 and Rs.800, depending on the skill area. The assessment fee is refundable to those receiving training from a recognised vocational training provider; it is also refundable to those recognised as being from disadvantaged groups (such as women) and poorer sections of society. Certificates are awarded by the NCVT[401].

4.7.2 Providers and Capacity

One of the biggest challenges in terms of determining the number of institutions, providers and capacity is the lack of consistent data. For this analysis, information has been gathered from the National Skills Development Corporation, the Planning Commission and the Federation of Indian Chambers of Commerce and Industry.

There are three formal routes for skills acquisition[402]:

Table 4.7.2a Routes for Skills Acquisition

Type	Institute	Capacity	Quantity
Mainstream education system	Vocationalisation of secondary education scheme (through MHRD)	Less than 3% of students at upper secondary level	9,583 schools; 150 programmes of 2 years duration
Vocational training	ITIs and ITCs	Total capacity of 785,000	1,922 ITIs and 3,566 ITCs
Diploma level	Polytechnics	1,244 institutions (run by MHRD) with capacity for 295,000 learners	1,747 diploma programmes with 294,370 spaces

398 http://www.ficci.com/SPdocument/20073/IMaCS.pdf

399 http://www.dget.nic.in/mes/index.htm

400 Ibid.

401 http://www.dget.nic.in/mes/index.htm

402 http://www.scdl.net/Downloads/VocationalUniversityConceptNote.pdf

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In 2009, the Planning Commission outlined the following breakdown of institution types and numbers in its 11the Five Year Plan[403]:

- 1,244 Polytechnics (under the Ministry of Human Resource Development).
- 415 institutions for Diplomas in Pharmacy, 63 institutions for Diplomas in Hotel Management, 25 institutions for Diplomas in Architecture.
- 5,114 ITIs (1,896 Government-run; 3,218 are privately run) training in 57 engineering and 50 non-engineering subjects.
- Six Advanced Training Institutes (ATIs), which are run by the Central Government and provide skilled technician-level training in industrial, medical and technological trades.
- 20,800 apprenticeship places registered with the Central Apprenticeship Council.
- 9,583 schools offering about 150 courses of two years' duration in subject areas of agriculture, business and commerce, engineering and technology, health and paramedical, home science, and science and technology.
- 2,500 Rural Development and Self-Employment Training Institutes, under the control of the Ministry of Rural Development.

FICCI notes that further education institutions are in scarce supply compared to the number of institutions available for primary and secondary education[404].

As part of the National Skill Development Policy, there is a strategy shift to upgrade the public ITIs to *'Centres of Excellence'* (CoEs). In order to attract funding for the upgrade, each ITI must be aligned with an 'industry partner' to ensure that the supply of skills meets demand. Administrative control, however, remains with the relevant state government[405].

Table 4.7.2b Institutions per Institution Type

Institution Type	Number of Institutions
Government ITI	2,076
Private ITC	5,529
Arts, Science and Commerce Colleges	11,968
Engineering, Technology and Architecture Colleges	1,562
Teacher Training Colleges	1,669
Polytechnics	1,274
Other institutions (including Law, Management, IT, Agriculture)	2,513
Total	**26,591**
Primary schools	772,568
Middle schools	288,493
Secondary schools	159,708

403 http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11v1_ch5.pdf

404 Note: the numbers for ITIs and ITCs as given by different reports and agencies are roughly the same, however gaining an exact (and reliable) figure is not possible.

405 http://avetra.org.au/wp-content/uploads/2010/04/102.00-Greg-McMillan.pdf

4. The Indian Context

4.7.3 Learner Numbers

As with institution types, there is a lack of centralised data on learner numbers. In 2006, the World Bank reported that the secondary vocational education stream is small, enrolling less than 3% of students at upper secondary level. There were 6,800 schools (most in the public sector), enrolling 400,000 students in vocational education and training (and using just 40% of capacity in those institutions)[406].

According to FICCI, the school education sector has 227 million enrolments, compared with just 15.3 million for higher and further education combined[407]. According to the DGET, while there are approximately 12.8 million people entering the workforce each year, only 2.5 million training places (public and private) are available. India's current capacity for skills development is 3.1 million people per year; the target for 2022, however, is to be skilling 22 million people per year[408].

Table 4.7.3 Enrolments per Institution Type

Category	Sub-category	Enrolments
School education	Pre-primary	5,264,053
	Primary (Class I-V)	132,048,727
	Secondary (Class VI – VIII)	52,195,171
	High School (Class IX – X)	24,971,520
	Higher Secondary (Class XI – XII)	13,414,499
	Sub-total	**227,893,970**
Vocational education	ITIs and ITCs	1,062,524
	Sub-total	**1,062,524**
Higher education	PhD	36,019
	MA	481,521
	MSc	230,247
	MCom	156,714
	BA/BA (Hons)	3,727,727
	BSc	1,579,355
	BCom	1,455,457
	BE/B Arch	1,668,228
	Medicine, Dentistry, Nursing	305,629
	BEd	244,825
	Open Universities	773,917
	Polytechnic Institutes	690,410
	Others	2,973,517
	Sub-total	**14,323,566**

406 http://info.worldbank.org/etools/docs/library/235724/skills%20development%20in%20india%20the%20vocational%20education%20and%20training%20system.pdf

407 http://www.ficci.com/SPdocument/20073/IMaCS.pdf

408 http://avetra.org.au/wp-content/uploads/2010/04/102.00-Greg-McMillan.pdf

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4.7.4 Learning and Assessment Outcomes

According to the World Bank, educational attainment in India overall is low compared with other countries. The prospects for graduates are also poor: three years after graduation, over 60% were still unemployed. Two-thirds of apprentices are reportedly not employed in the trade in which they qualified; reasons for this include being trained in obsolete trades and a mismatch between supply and demand. There are no significant differences in outcomes for private institution graduates over public institution graduates[409].

Lack of soft skills for graduates is a key issue for employers; ITIs are providing graduates with theory, rather than practical skills and experience[410]. According to the NSDC, the employability of graduates is a serious issue. They quote NASSCOM in stating that of the 400,000 engineering graduates each year, only 20% are suitable for employment in terms of their levels of technical capability, English language skills, teamwork and presentation skills[411].

4.7.5 Quality Assurance

The World Bank has identified quality measures as being a significant issue in India. With no participation in international benchmarking or quality assurance, there is no reliable way with which to assess the quality level of India's educational output. Quantitative measures are also noted as lacking, with few ways in which to record the number of learners and qualifications accurately. This is also due to the complex bureaucracy in India and lack of record sharing[412].

According to FICCI, the 2022 target figures for skills and employment are only achievable with strict reference to quality standards[413]. This refers to establishing quality standards and procedures within the *'skill development chain',* as well as linking funding with performance outcomes for institutions. Quality needs to be driven at all levels of institutions and provider centres, including[414]:

- Strong governance and administration.
- Good quality teachers and faculty.
- Current curriculum.
- Adequate infrastructure.
- A defined evaluation process.
- Partnerships.

FICCI also calls for an independent quality system involving checks and measures throughout the entire skill development chain, not just at the assessment and certification stages. They also call for regular assessments of training providers and the development of a plan to improve performance consistently. The illustrative framework they provide includes[415]:

- Assessing the institute as a whole, including past performance and any issues.
- Improving performance by benchmarking against other institutions, introducing changes to technology and/or processes, and releasing funding to enable changes to occur.
- Measuring performance through measures such as teacher retention, education practice and processes, involvement with industry, and placements and drop-out rates.
- Funding adequately and giving appropriate time for improvement to occur, with funding based on performance outcomes.

4.7.5.1 Accreditation

The prospect of a National Vocational Qualifications Framework has been debated for some years; the current model is similar to the Australian ATQF model, where qualifications are developed in accordance with industry needs and quality levels are based on set competencies. The two primary accreditation bodies in India are the AICTE and the National Board of Accreditation (NBA); the latter was developed by AICTE to provide autonomy in quality standards. Allegations of corruption against AICTE in 2009 led to the decision to change the NBA into an independent accrediting body, in effect superseding AICTE[416]. No further evidence of any changes in AICTE's operation is found after 2009, however, suggesting that no action was taken.

According to the Planning Commission, there are 378 universities and 18,064 colleges in India. Of these, only 140 universities and 3,492 colleges have been accredited by the National Accreditation and Assessment Council (NAAC). Of accredited universities and colleges, only 9% are noted as being granted an 'A' grade. The only programme accreditation that is available to institutions is given by the National Board of

409 http://info.worldbank.org/etools/docs/library/235724/skills%20development%20in%20india%20the%20vocational%20education%20and%20training%20system.pdf

410 http://avetra.org.au/wp-content/uploads/2010/04/102.00-Greg-McMillan.pdf

411 http://chfinternationalindia.org/Upload/SkillFormation/2.Basab%20@%20CHF%20IIMB%20040211.pdf

412 http://avetra.org.au/wp-content/uploads/2010/04/102.00-Greg-McMillan.pdf

413 http://www.ficci.com/SPdocument/20073/IMaCS.pdf

414 Ibid.

415 Ibid.

416 http://www.business-standard.com/india/news/aicte-to-revamp-its-approval-system-next-week/382076/

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Accreditation (part of the AICTE). Of a possible 25,000 courses in the areas of Engineering, Architecture, Pharmacy and Management that could be accredited by the NBA, only 1,924 had been assessed as of 2009[417].

The Planning Commission highlights the 'sheer magnitude of scale' in India as being a serious challenge in terms of implementing quality measures and providing accreditation[418]. It also comments that some of the reasons for the lack of quality traditionally in Indian education institutions have been due to inappropriate teaching methods, outdated curricula, lack of resources and infrastructure, irrelevant assessments and lack of participation of the private sector and industry[419].

The Commission also notes that there are often issues with duplicated or excessive bureaucracy. Most institutions follow guidelines established by the AICTE, UGC, the National Board of Accreditation (NBA) and the National Assessment and Accreditation Council. The complexity of the guidelines can often be challenging for institutions. Of these, the NAAC accredits other organisations; the NBA accredits professional programmes in the areas of Engineering and Technology, Management, Architecture, Pharmacy, Hotel Management, Town and Country Planning, and Applied Arts and Crafts. The Planning Commission notes that the current system means that 54% of colleges in the fields of arts and science are not accredited[420].

The limitations for the current accreditation system are noted as being that[421]:

- Accreditation for courses and institutions are not associated.
- There is no quality check for new institutions offering qualifications.
- The benefits of accreditation are not emphasised.

The Planning Commission recommends[422]:

- Creating an accreditation and regulatory system that is independent, scaleable and sustainable.
- Making apparent the benefits and consequences of accreditation (and de-accreditation).
- Placing Sector Skills Councils at the heart of the accreditation system.

4.8 Recommendations

With its emphasis on skill development and enthusiasm for change, India is well positioned to capitalise on its unique demographic position and achieve its ambitious target of 500 million skilled people by 2022. The challenges of achieving this target, however, are significant, and will require the design of a coherent, responsive, industry-led system.

This report is intended to provide recommendations fit for Indian purposes. The recommendations have been drawn from the preceding analysis of the current state of play in India, and are designed to complement existing vocational structures and policies. These recommendations are also drawn from our experience in analysis vocational skills systems internationally and our studies of good practice.

4.8.1 System and Delivery Recommendations

Symbiosis, in addition to providing their opinion of challenges in the system, also provides a list of comprehensive and sensible system and delivery-specific recommendations[423]:

- Establish a National Board for Vocational Education, similar to the ANTA in Australia[424]. It would be responsible for creating and maintaining a national vocational education and training system and strategy, ensuring linkages between providers and industry, and developing an effective training market. This would be similar to the remit of the National Skills Development Corporation, but have greater emphasis on industry involvement.
- Introduce a Secondary Skills Certificate in vocational education for 10th grade learners, along the same lines as the Higher Skills Certificate for students in years 11 and 12. Vocational skills should also be introduced in 8th grade through 'bivalent' or dual-track schools.
- Introduce 'Credit banking' to allow learners to accumulate credits through ITI and ITC courses that will qualify them for a Secondary Skills Certificate (Vocational).
- Enable institutions to award Secondary Skills Certificates, Diplomas and Associate Degrees in addition to their normal vocational certification. This will encourage vertical and horizontal mobility.

417 http://planningcommission.nic.in/reports/genrep/skilldev/sub_accrd.pdf

418 Ibid.

419 Ibid.

420 Ibid.

421 Ibid.

422 Ibid.

423 http://www.scdl.net/Downloads/VocationalUniversityConceptNote.pdf

424 ANTA no longer exists in Australia – it was transferred to the Department of Education, Science and Technology in 2004.

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- Encourage private sector and industry involvement.
- Emphasise teacher training and introduce vocational teaching qualifications. Continuous professional development can also be provided through teacher training centres.
- Introduce vocational universities.

To this list, we would add the following recommendations:

- Establishing a central list of programmes and initiatives under the NSDP and the 11th Five Year Plan.
- Establishing a reporting mechanism to determine progress in initiatives and projects.
- Introducing imperatives for implementing Modular Employable Skills at local institution level to ensure that the system is transmitted throughout the country.
- Implementing a single establishment body for the NVQF, alongside a widespread and collaborative consultation process.
- Ensuring that international participation and skills delivery in India is focused on providing skills for Indian industry rather than as a means of supplying foreign labour needs.
- Developing Occupational Standards for a select number of industries and occupations, alongside targeted funding to enable MES for existing workers in those industries.
- Promoting the benefits (primarily financial) of achieving qualifications.
- Rationalising and communicating agency responsibilities.
- Better communication and reporting, particularly with reference to state governments.

Sector Body Development in India

5. Sector Body Development in India

5.1 Introduction

The National Skills Development Corporation (NSDC) is mandated under the National Skills Development Policy (2009) to create Sector Skills Councils (SSCs) which have a remit to[425]:

- Identify skills development needs.
- Develop a sector skills development plan.
- Determine skills/competency standards and qualifications.
- Standardise affiliation and accreditation processes.
- Participate in affiliation, accreditation, examination and certification.
- Plan and execute the training of trainers.
- Promote academies of excellence.
- Establish a sector-specific Labour Market Information System to assist the planning and delivery of training.

Sector Skills Councils are proposed at a national level, and will also operate State Chapters. They will operate as public private partnerships, and will focus on higher education as well as vocational education and training. The Planning Commission has proposed that relevant industry associations will develop plans for their respective sectors[426].

5.2 History

The Planning Commission published a report in 2009 with their recommended system of regulation and accreditation, placing SSCs at the centre of the process. Their recommendations included creating (and in some cases modifying the activities of) the following bodies[427]:

- National Accreditation Authority for Education (NAAE) to be introduced as an independent body responsible for developing standards. It would feed into the Sector Skills Councils at a national level and audit SSCs at national and local levels. It would also register and licence independent accreditation agencies through the SSCs. The NAAE should be constituted by an act of Parliament and be 'free of government control'.
- The National Board of Education Regulation (NBER) should be introduced as an independent, advisory body responsible for auditing standards.
- Sector Skills Councils to be created at national level with state-level chapters. 28 high growth sectors should each receive an SSC (20 were already identified with the 11th Five Year Plan). The Planning Commission recommended that SSCs are accountable to NAAE.
- Independent Accreditation Bodies to be established at state level under the relevant SSC chapters. They would be responsible for issuing Provisional Accreditation Certification to training providers for a period of 18 months.
- Modifying the output of the University Grants Commission (UGC) to include the funding of SSCs and all vocational courses at all levels of learning. State UGC offices should co-ordinate funding between the UGC, SSCs, state government and the institutions.

Current proposals for industry sectors vary very slightly from those originally proposed by the Planning Commission, for example the addition of Private Security and Domestic Workers, and the merger of two IT-related SSCs. The incorporation of parts of the unorganised sector demonstrates the development of thinking over the past two years and the incorporation of stakeholders' views; in 2009, for example, the National Commission for Enterprises in the Unorganised Sector stated: *'Under draft NSDP of Ministry of Labour, while Sector Skills Councils are to assess the training needs of the organised sector Partnership Development Councils are to perform a similar function for the unorganised sector, at least initially. However, such an arrangement may create unnecessary confusion. Skill Sector Councils may look after the training needs of the unorganised sector also from the beginning'*[428] (2009:82).

Table 5.2.1 outlines the ways in which thinking around sector bodies has developed since the Planning Commission's original report[429]. It also incorporates a 2009 report from the Confederation of Indian Industry (CII)/Technopak on SSCs[430], and the current approach as outlined by NSDC.

425 http://chfinternationalindia.org/Upload/SkillFormation/2.Basab%20@%20CHF%20IIMB%20040211.pdf

426 http://planningcommission.nic.in/reports/genrep/skilldev/sub_accrd.pdf

427 Ibid.

428 http://nceuis.nic.in/Skill_Formation_and_Employment_Assurance_in_the_Unorganised_Sector.pdf

429 Similar approaches are shown in light green; areas in which thinking diverges significantly from other approaches is shown in dark green.

430 http://www.cii-skillsdevelopment.in/National-Conference-on-Skills-Development/Theme-Paper.pdf

5. Sector Body Development in India

Table 5.2.1 Comparison of Approaches

Area	Planning Commission 2009	CII 2009	NSDC 2010/2011
Structure & Governance	Sectors		
	28 SSCs identified according to areas of high growth in manufacturing and services.		23 in development, with an additional 5 in the pipeline.
	Autonomy		
	Functional and governance autonomy.	SSCs as independent, autonomous, arms-length bodies.	SSCs to function as autonomous bodies.
	Governance		
	Involvement of private enterprise, industry associations, academics.	Involvement of employers, labour unions, industry associations and academia.	Board should consist of Government representatives, key association members and leading industry figures.
			Operational structure: CEO supported by three Directors (Research, Delivery Mechanisms and Quality Assistance).
			Each Director to be supported by a separate Board of eight members (industry and academics).
		SSCs to report to NSDC.	NSDC to be represented in project implementation.
		Collective governance could come from an Alliance for Sector Skills Councils.	
	Employer engagement		
			Sign MOUs with industry to ensure their participation.
			Employers to participate in course content development, apprenticeships, provision of trainers and hiring graduates of SSC courses.
	Purview		
	Responsible for all academic institutions at all levels.		
			Co-ordinate other agencies working in skills development.
	Federal/state structure		
	State Chapters to represent SSCs at a state level.	Data infrastructure systems at both state and national levels.	

5. Sector Body Development in India

Area	Planning Commission 2009	CII 2009	NSDC 2010/2011
Funding	Funding model		
	Public private partnership.	Initial funding to come from the Government (National Skills Development Fund).	Public private partnership. Initial funding to come from the Government.
	Long-term funding		
		Continuing core funding to come from the Government; income-generating activities to pay for specific projects.	SSCs to become self-financing, for-profit organisations over time.
		Income generating activity: sponsorships, product sales (training guidance/training tools), membership fees, industry contributions.	Income generating activity: consultancy and research for industry.
Operational Activities & Role	Labour market information and research		
	Develop guidance framework which maps supply-demand requirements with reference to skills and competencies.	Create well-structured labour market information system; identify supply-demand gaps.	Develop skill inventory database, by skill and by region, and identify skills gaps.
		Keep track of developments in the domestic and international labour markets.	Benchmark international standards.
			Develop 10-year projections of manpower needs.
			Disseminate labour market information.
	Standards		
	Develop competency standards.	Develop competency standards.	Develop competency standards.
			Place relevant standards on NVQF.
	Qualifications and certification		
	Certify all courses, programmes and curricula (possibly through *'empanelling'* awarding bodies under SSC brand).	No responsibility for certification or for accreditation of qualifications (these to rest with DGET, NCVT and SCVT).	SSCs will be testing and certification institutions.
	Quality assure qualifications and certification.		
	Ensure national recognition of qualifications and certification.		
			Introduce short-term courses for the unskilled.
	Training		
	Empanel audit/regulatory bodies to support audit of training and programmes.	NSDC to accredit private training organisations on SSCs' recommendations.	SSCs to accredit training organisations.

5. Sector Body Development in India

Area	Planning Commission 2009	CII 2009	NSDC 2010/2011
	Ensure the relevance of training.	Upgrade the curriculum of private training institutes.	
	Develop appropriate key performance indicators.		Develop measurable criteria for institutions.
		Promote e-learning and web-based learning.	Develop training delivery mechanisms, e.g. e-learning modules.
			Create *'Centres for Excellence in Industry'*.
			Establish cluster-based training structures around cities and towns depending on local need.
	Vocational teacher training		
			Train trainers, e.g. through partnerships with ITIs.
			Certify trained teachers.
	Other		
	Ensure equity and access (including disadvantaged communities, the poor).		
	Use multiple interventions.		
		Facilitate counselling and guidance of individuals.	Deliver careers and learning guidance.
		Capacity development of partners.	
Implementation	Timescale		
	Develop SSCs, accredit all programmes and institutions to capacity at all levels within 3 years (to 2012).		Five SSCs to be established this financial year, and 12 more by the end of 2012.
	Incorporation		
		Legal, not-for-profit entities.	Eventual capability to turn a profit.
	Phasing		
		Phase 1: incorporation; Phase 2: development activities (e.g. establishment of Board and management); Phase 3: implementation of the business plan, defining key measurables and developing administrative structure.	

5. Sector Body Development in India

5.3 Current Status

In January 2011, the NSDC announced that it would form five SSCs by the end of the financial year: four new SSCs in addition to the already established Automotive Skills Development Council (ASDC). Energy and Security have also just been approved, representing two of the four remaining for this year. According to the NSDC, there are 27 SSCs currently in different stages of development (see Table 3.1)[431], and 28 in the pipeline in total[432]. It has seen *'a huge interest from industry to set up Sector Skills Councils to ensure that there is a steady pool of quality manpower across all levels on a sustained basis'*[433] . According to the chief executive of NSDC, the SSCs will use labour market information systems to identify skills gaps and training needs, establish competency standards and assist with accreditation and qualifications[434]. For more detail on the current approach being taken by the NSDC, please refer to the Approach Paper at http://www.nsdcindia.org/sector-skill-council.aspx

Table 5.3.1 Current Development Status of Sector Skills Councils[435]

Approved by NSDC	Proposals with NSDC	Proposals in development	Industry partners being sought	Inactive
• Auto • Energy • Security • Retail • IT/ITES • Media, Animation, Gaming & Films	• Handicrafts	• BFSI • Gems & Jewellery • Construction & Real Estate • Pharma • Travel & Tourism • Domestic Workers • Agriculture • Beauty & Wellness • Health • Foundry • Food Processing • Leather • Hospitality	• Manufacturing • Machine Tools • Telecom • Sports • Plumbing • Earthmoving Equipment • Chemical • Education & Skills	• Government Sector • Parts of Unorganised Sector e.g. Facility Management, Sports, Plumbing

431 http://www.nsdcindia.org/pdf/skill-matter.pdf

432 http://www.business-standard.com/india/news/nsdc-to-set28-sector-skills-councils/439530/

433 http://www.nsdcindia.org/pdf/skill-matter-jun11.pdf

434 http://www.business-standard.com/india/news/nsdc-set-to-form-five-sectorskills-councils/422276/

435 Banerjee, 2011 (February 2011); amended according to Manipal City & Guilds in June 2011.

5. Sector Body Development in India

Table 5.3.2 Detailed Development of Individual Sector Skills Councils[436]

Industry Sector	Name of Skill Council	Governing Council	Lead Organisations	Mandate
Auto	Automotive Skill Development Council (ASDC)	1. Members of SIAM, FADA, ACMA (3 each) 2. Member from MoHIPE, MoLE, NCVT	• SIAM • FADA • ACMA	• Establish ASDC. • Recruit the core ASDC team for carrying out pilot phase activities. • Sign MoUs with industry to ensure commitment and support. • Design and develop high standard course content for selected modules. • Provide certification to desirous candidates on the selected modules. • Review the performance of the pilot phase and draw up the [Departmental Performance Report].
Security	Security Knowledge and Skills Development Council (SKSDC)	1. 7 of top 10 security companies by revenue. 2. Chairman of CAPSI and two security associations. 3. Two small security companies. 4. Two members from customer organisations. 5. Member from NSDC. 6. Member from army/ paramilitary force.	• CAPSI	• Identify skill gaps at each level/ trade and develop course curricula, training programmes and training manuals accordingly. • Set national standards, benchmarks and testing for each level/trade in private security. • Plan and execute training of trainers (also to be certified). • Identify, select and accredit training providers in private security across the country and promote them as Centres of Excellence. • Create a nationwide database of trained manpower in private security, level and trade wise. • Carry out research to identify future requirements in training and skill enhancement.

436 http://www.nsdcindia.org/pdf/sector-skill-councils.pdf

5. Sector Body Development in India

Industry Sector	Name of Skill Council	Governing Council	Lead Organisations	Mandate
Energy	Indian Energy Skill Development Council (IESD)	To be decided	• University of Petroleum & Energy Studies • Petrotech • Indian Wind Energy Society • World Energy Forum • NDPL • PowerGrid Corporation	• Carry out sustained research to assess training facilities, demand/ supply needs and skill gaps of semi-skilled/skilled workers in the energy industry, including that of the unorganised sector. • Develop an industry-driven competencies framework for each skill set, including provision for movement to the next competency level, which is acceptable to the energy industry, and set standards of certification. • Involve the energy industry, academia and other stakeholders in standardising the curriculum and training materials, and facilitate user industries in the certification process. • Enhance skill training delivery and organise 'training the trainers' by associating other accredited training organisations including ISPe, UPES, EI India, etc. • Develop feedback mechanisms and processes for quality assurance, and undertake accreditation of training institutes.
Retail	Retailers Association Skill Council of India (RASCI)	To be decided	• Retailers Association of India	• Develop a culture which promotes and enhances the skills development of its workforce. • Ensure availability of entire value chains' requirement of appropriately trained manpower in quantity and quality across all levels, on a sustained and evolving basis. • Vertical and horizontal portability for VET skills as a comparable education across industries/ education systems/geographies by building a robust quality assurance system. • Create transparency for all industry members for the availability of appropriately trained skilled manpower, knowledge/information repository and process/technology information.
Media and Entertainment	Film, Media, Broadcasting and Animation Skill Council	To be decided	• FICCI • Film and TV Producers' Guild • Indian Broadcasting Association • Animation, Gaming and VFX Forum • Indian Outdoor Advertisers	• Create a sustainable and technologically advanced platform for collection, storage and exchange of industry data, workforce data, welfare data and career related data across the whole industry segment called the 'labour market information system' (LMIS). • Focus on building an organisation that can develop the standards, evaluation criterion and accreditation systems for providing multiple and varied technical skills in the media sector including employability skills, to both men and women, as well as challenged persons with regular and direct inputs from industry. • Build high quality trainer and learner communities while providing effective real-time connects between job providers and job seekers. • Actively engage with Government and industry for support to realise existing synergies and build new ones.

5. Sector Body Development in India

Industry Sector	Name of Skill Council	Governing Council	Lead Organisations	Mandate
IT/ITES	IT/ITES SSC	To be decided	• NASSCOM	• Develop a global employer brand and talent model to attract non-Indian workforces. • Identify and address specific leadership capability gaps in the new model. • Remainder of the list includes a list of skills gaps which need to be addressed and industry working practices which need to be changed.

5.4 Opportunities and Strengths

International precedents

India has the chance to create a system from scratch, to learn international lessons and to avoid some of the pitfalls that other countries have experienced.

Industry-driven priority areas

SSCs are being driven by the private sector (while encouraged by NSDC and operating in a framework within which priority areas have been suggested by policy makers) in terms of businesses and industry associations applying to form SSCs, which dictates the exact role and remit of SSCs, and defines which sectors are developed first. There are few examples internationally of sector bodies which have not been defined and prioritised by policy makers; New Zealand is one of the few exceptions.

There are, of course, downsides to this approach – for example, sectors in which a need for skills development may be high but no one organisation is prepared to take responsibility for the formation of an SSC. NSDC seems to be approaching this by encouraging organisations in various sectors to take the initiative (see Appendix 7 for examples).

SSC proposal assessment

The level of detail and 'due diligence' of SSC proposal assessments appears to be detailed and exacting[437], while not being unduly burdened by bureaucracy – the NSDC turnaround time appears to be a couple of months.

'Train the trainer' programmes

India's proposed rapid expansion of training, which is closely linked to the development of SSCs, will require an accompanying expansion in training capacity and qualified trainers. There is clear recognition of the requirement for trainers within the broad range of stakeholders who have contributed to the development of SSCs, and clear action plans to support capacity development (e.g. SSCs running 'Train the Trainer' programmes). These programmes will need careful planning to ensure that trained trainers are of an appropriate quality – a concern that has been widely raised about many current trainers, particularly in the ITIs.

State Chapter approach

Although SSC Board representation does not yet appear to be broadly representative of the skills development community, the approach to State Chapters means that many of the important organisations will be engaged in the process. The 2009 Planning Commission report, for example, suggests that State Chapters maintain ongoing contact with schools, colleges, employers and potential employees *'in order to develop an efficient market-led mechanism'*[438].

The State Chapter approach will also help SSCs to connect with state governments, and to ensure that training is appropriate to state, rather than national, needs.

437 http://siteresources.worldbank.org/EDUCATION/Resources/278200-1121703274255/1439264-1242337549970/6124382-1291074275592/03-National_Skill_Development_Corporation.pdf

438 http://planningcommission.nic.in/reports/genrep/skilldev/sub_accrd.pdf

5. Sector Body Development in India

5.5 Risks and Barriers

Diversity and scale

Employer engagement and detailed understanding of local/regional needs will be extremely challenging; much smaller countries, for example Australia and England, have struggled with both. While Sector Chapters have been proposed (see above under Opportunities and Strengths), there has been little detail on how these will operate, how they will manage the different government structure at federal and state level, and how they will get a grasp on training needs at sub-state level – in population terms, a state in India is the equivalent of a country in much of the rest of the world.

The NSDC, through SSCs and a variety of other training initiatives, plans to increase the number of people trained under their remit from 120,000 in 2011 to 201 million in 2022[439], or 15 million trainees every year[440]. This is something that would be difficult in most situations, but especially in a country of India's scale and diversity. If it is achieved, it also brings its own challenges; how will training delivery and assessment be quality assured, for example?

The unorganised sector

The unorganised sector represents around 90% of the labour force, and workers do not have the support of large employers to help their development. There is a proposed SSC dedicated to supporting the development needs of the unorganised sector, and other proposed SSCs cover unorganised sub-sectors such as agriculture and domestic workers. Training unorganised sector workers will, however, be a real challenge, and will require some truly innovative solutions in order to gain an appropriate level of reach.

Institutional structure

There is a need to get the structure surrounding sector bodies right if they are to operate effectively; as FICCI has described it, the *'formulation of institutional mechanisms for content formation, delivery, and assessment'*[441]. Publicly available documents do not suggest a detailed assessment and plans for appropriate institutional mechanisms to sit alongside SSCs; while the system cannot be planned from scratch, SSCs equally cannot operate in a vacuum – nor can they be expected to wield sufficient influence to improve the skills landscape significantly if they are dealing with multiple agencies with conflicting and overlapping priorities.

Name inconsistency

Indian sector bodies are almost exclusively referred to as *'Sector Skills Councils'*; the names proposed for the first cohort of SSCs, however, vary between *'Skills Development Council'* and *'Skills Council'*. This is likely to lead to confusion among stakeholders and will make it difficult for employers to find out who is the lead body for their sector.

Planning detail

At the moment, publicly available plans for SSCs do not go into a great deal of detail. To a certain extent, the employer-driven nature of the sector body approach (i.e. getting industry to apply to establish and run their own SSCs) explains this. There is a lot of help and support that could potentially be given to SSCs, however, in terms of guidance and ideas – this does not need to be prescriptive. There is also much to be done in terms of detailed planning on how sector bodies will fit into the wider system (e.g. how their quality assurance role will operate alongside or instead of quality assurance mechanisms), and developing the institutional infrastructure needed to support their effective operation.

439 http://siteresources.worldbank.org/EDUCATION/Resources/278200-1121703274255/1439264-1242337549970/6124382-1291074275592/03-National_Skill_Development_Corporation.pdf

440 http://www.ficci.com/pressrelease/651/press-aug1-skill.pdf

441 Ibid.

Recommendations

6. Recommendations

6.1 Introduction

The recommendations included in this report are designed to provide the Indian skills community with an evidence base, drawn from international experience, regarding the establishment of sector bodies in India. These recommendations are drawn from the good practice indicators, and opportunities and risks identified in the literature reviews; they also include all findings relevant to India from each of the six country reports. Finally, the findings have been synthesised to provide a list of evidence-based final recommendations for the Indian sector body system, in the areas of establishment, structure, operation, funding and quality assurance.

The information contained is the opinion of the Research Base, as developed from both the evidence in this report and professional experience in the Indian skills environment.

6.2 Key Issues

Achieving the required scale

- Employer engagement and detailed understanding of local/regional needs will be extremely challenging; much smaller countries, for example Australia and England, have struggled with both. While State Chapters have been proposed (see above under Opportunities and Strengths), there has been little detail on how these will operate, how they will manage the different government structure at federal and state level, and how they will get a grasp on training needs at sub-state level – in population terms, a state in India is the equivalent of a country in much of the rest of the world.
- The NSDC, through sector bodies and a variety of other training initiatives, plans to increase the number of people trained under their remit from 1.2 lakh[442] in 2011 to 2,011.9 lakh[443] in 2022 [444] or 15 million trainees every year[445]. This is something that would be difficult in most situations, but especially in a country of India's scale and diversity. If it is achieved, it also brings its own challenges; how will training delivery and assessment be quality assured, for example?

The unorganised sector

- The unorganised sector represents around 90% of the labour force, and workers do not have the support of large employers to help their development. There is a proposed sector body dedicated to supporting the development needs of the unorganised sector, and other proposed sector bodies cover unorganised sub-sectors such as agriculture and domestic workers. Training unorganised sector workers will, however, be a real challenge, and will require some truly innovative solutions in order to gain an appropriate level of reach.

Availability of trainers

- India's proposed rapid expansion of training, which is closely linked to the development of sector bodies, will require an accompanying expansion in training capacity and qualified trainers. There is clear recognition of the requirement for trainers within the broad range of stakeholders who have contributed to the development of sector bodies, and clear action plans to support capacity development (e.g. sector bodies running 'Train the Trainer' programmes). These programmes will need careful planning to ensure that trained trainers are of an appropriate quality – a concern that has been widely raised about many current trainers, particularly in the ITIs.

6.3 Recommendations Concerning Sector Bodies in India

6.3.1 Establishment

Learning lessons

- India has the chance to create a system from scratch, to learn international lessons and to avoid some of the pitfalls that other countries have experienced. By taking the time to design the structures and procedures fully now, India can avoid the experience of most other countries where sector bodies have needed to be rationalised some time after their inception, which has caused confusion.

Naming consistency

- Indian sector bodies are almost exclusively referred to as *'Sector Skills Councils'*; the names proposed for the first cohort of sector bodies, however, vary between *'Skills Development Council'* and *'Skills Council'*. This is likely to lead to confusion among stakeholders and will make it difficult for employers to find out who is the lead body for their sector.

Detailed planning

- At the moment, publicly available plans for sector bodies do not go into a great deal of detail. To a certain extent, the employer-driven nature of the sector body approach (i.e. getting industry to apply to establish and run their own sector bodies) explains this. There is a lot of help and support that could potentially be given to sector bodies, however, in terms of guidance and ideas – this does not need to be prescriptive. There is also much to be done in terms of detailed planning on how sector bodies will fit into the wider system (e.g. how their quality assurance role will operate alongside or instead of quality assurance mechanisms), and developing the institutional infrastructure needed to support their effective operation.

442 120,000.

443 201,190,000.

444 http://siteresources.worldbank.org/EDUCATION/Resources/278200-1121703274255/1439264-1242337549970/6124382-1291074275592/03-National_Skill_Development_Corporation.pdf

445 http://www.ficci.com/pressrelease/651/press-aug1-skill.pdf

6. Recommendations

- Currently, the level of detail and *'due diligence'* of SSC proposal assessments appears to be detailed and exacting[446], while not being unduly burdened by bureaucracy; the National Skills Development Corporation (NSDC) turnaround time appears to be a couple of months. If this continues, it will be beneficial to the establishment of all future sector bodies.

6.3.2 Structure

Deep, vertical structure

- A deep vertical structure where national sector bodies are replicated at state and local levels will mitigate the risk that state and local bodies will fail to adhere to federal quality guidelines and priorities. It will also minimise broad, complex bureaucracy; one central umbrella body can ensure that messages and procedures (one central set) are funnelled down to ensure consistency and successful implementation.
- The NSDC is currently recommending national and state level bodies; the addition of local level bodies in particularly large states would allow the sector bodies to reach all levels of training and employment.
- Reporting lines should be clear and open; state and local bodies should have a clear line of communication to, and with, the national body. The national body, in turn, should have access to, and representation on, the overarching body.
- By developing a deep, vertical system, India will be able to ensure an upwards flow of sector information from local and state level up to federal level; conversely, any policy directions from federal level can cascade clearly to grassroots level. This is similar to the Dutch system, in which a central body disseminates information to, and gathers reporting from, regional sector bodies.

Collaboration

- India can also ensure that horizontal channels are open at each level: state and local sector chapters can liaise together to share good practice and general education and skills development information; state level and federal bodies can have regular discourse also to do the same.
- Sector bodies are not, by themselves, sufficient to ensure that the needs of employers are understood; it is critical, particularly in a country as diverse as India (and even in a smaller, less diverse country such as England) that employers are also involved at the delivery level.
- Although SSC Board representation does not yet appear to be broadly representative of the skills development community, the approach to State Chapters means that many of the important organisations will be engaged in the process. The 2009 Planning Commission report, for example, suggests that State Chapters maintain ongoing contact with schools, colleges, employers and potential employees *'in order to develop an efficient market-led mechanism'*[447]. The State Chapter approach will also help sector bodies to connect with state governments, and to ensure that training is appropriate to state, rather than national, needs.

Governance

- India must ensure careful criteria for board membership to ensure equity of representation; the recent proposals of the Department of Higher Education and Training have led to allegations that the SETAs in South Africa are being politicised and that industry is losing its autonomy.
- The *'ownership'* of sector bodies by a single department has led to conflict with and potential interference by Government in South Africa. Ideally, India should ensure that its sector bodies are managed by an independent body representative of all key stakeholders (industry, employees, training providers and Government).

Strong Government support

- Sector bodies are being driven by the private sector (while encouraged by NSDC and operating in a framework within which priority areas have been suggested by policy makers) in terms of businesses and industry associations applying to form sector bodies, which dictates the exact role and remit of sector bodies, and defines which sectors are developed first. There are few examples internationally of sector bodies which have not been defined and prioritised by policy makers; New Zealand is one of the few exceptions. In order to ensure that sector bodies can develop their necessary tripartite nature, strong support from Government is essential.

Supportive institutional environment

- There is a need to get the structure surrounding sector bodies right if they are to operate effectively; as FICCI has described it, the *'formulation of institutional mechanisms for content formation, delivery, and assessment'*[448]. Publicly available documents do not suggest a detailed assessment and plans for appropriate institutional mechanisms to sit alongside sector bodies; while the system cannot be planned from scratch, sector bodies equally cannot operate in a vacuum – nor can they be expected to wield sufficient influence to improve the skills landscape significantly if they are dealing with multiple agencies with conflicting and overlapping priorities.

446 http://siteresources.worldbank.org/EDUCATION/Resources/278200-1121703274255/1439264-1242337549970/6124382-1291074275592/03-National_Skill_Development_Corporation.pdf

447 http://planningcommission.nic.in/reports/genrep/skilldev/sub_accrd.pdf

448 http://www.ficci.com/pressrelease/651/press-aug1-skill.pdf

6. Recommendations

6.3.3 Operation

Clarity of remit and purpose

- The remit of sector bodies needs to be rigidly established in terms of:
  - Purpose
  - Output and activities
  - Limits of authority
  - Reporting guidelines
  - Relationship with awarding and quality assurance bodies.
- Coherency and clarity of these factors will ensure that consistency in operations is achieved throughout all vertical levels of sector bodies and branches. It will also avoid the issues inherent in systems such as Canada's, where a lack of centralised remit has created confusion and lack of clarity.
- Sector bodies should echo the tripartite focus of New Zealand's Industry Training Organisations: by liaising with federal and state-level Government, they can ensure that policy priorities are met; by liaising with industry at state and local level, they can establish where skills needs are; and by collaborating with providers and state and local level they can ensure that training occurs in areas of skills need and at the correct level.

Output

- Like the ISCs in Australia, sector bodies in India will be best placed to ascertain the training needs and capacity of local and regional industry sectors. At a national level (incorporating state and local level data), ***producing regular Sector Intelligence Reports,*** which adhere to a common format and indicate the economic state and skills needs of the sector. These reports also include recommendations and implications for key stakeholders.
- At a national level, working with industry to ***set National Occupational Standards (NOS)*** that form the basis of qualifications on the NVQF. Sector bodies should own NOS and ensure that changes are made in consultation with the NSDC and other interested parties.
- At all levels, working with providers and industry to ***develop qualifications for submission to the NSDC*** and registration on the NVQF[449]. Training Packages are costly to develop, but the concept is valuable: by wrapping competencies, standards, assessment guidelines and materials together, quality is more readily assured. It is also possible for regional and local providers, with their cultural, economic and linguistic differences, to adapt and deliver the training as they see fit, provided the outcomes and competencies achieved are those outlined, and the assessment methods are the same.
- At a state and local level, ***recruiting and auditing employer organisations for traineeships and work placements;*** liaising with the national funding authority. Sector bodies are also best placed to form and manage relationships with industry and employers; it is also best placed to arrange for work placements for interested students and to monitor quality in such organisations. This follows the Dutch model, in which work placements are a vital part of vocational education.
- At a state and local level, ***providing advice and guidance on industry training opportunities*** for employers and learners.
- At a state and local level ***channelling funding for work placements and traineeships, or grants for workplace learning.*** Although this is onerous, given the scale involved, without sector body involvement in the funding process there can be no real effectiveness – essentially, without funding ability, sector bodies run the risk of becoming another level of bureaucracy.
- At a state and local level and where employers have identified a clear need, ***collecting an employer levy and redistributing funds*** as directed by the national sector body. This should be driven by the sector bodies themselves so that any levy occurs on a sectoral, needs-only basis; this shows that it is needed and has more chance of getting employer support.

6.3.4 Funding

Optional sector-based introduction of a training levy

- Indian sector bodies could introduce a training levy on large employers (over a certain wage bill) or foreign companies operating in India, in exchange for a tax rebate. This would lead to more workplace training and would also create more pooled funds for skills development regionally; it would not, however, create enough income for the sector bodies to subsist on these funds alone. Training levies should be sector driven, however, and only in areas where employers have identified a clear need.

Distributing funding for training

- Sector bodies are a vital channel for distributing federal and state funding for training; not only will this ensure that funding for work placements and workplace training is distributed according to need, but funding applications can be managed locally.

Funding contingent on performance

- Funding for sector bodies should be distributed federally and cascaded down through the vertical SSC structures; it should be awarded on the basis of an annual business plan and regular audits, to be carried out by a national quality assurance agency. Business plans, comprising financial

449 It is worth noting that qualifications will be developed also by training providers and institutions; quality assurance will be provided by the NSDC.

6. Recommendations

forecasts against planned activities, and measuring against the previous year's performance, should be the basis of an ongoing remit to operate from the NSDC, as in South Africa. It is vital that the measures for performance are not purely financial, however, as this can detract from achieving qualitative measures such as take up of work placements and the numbers of standards developed.

6.3.5 Quality Assurance

Transparent reporting

- India should also focus on transparency and reporting mechanisms, so that the information gathered by sector bodies is used for the advantage of all sectors and industry bodies, as well as employers. Performance measurement and quality assurance mechanisms should not be overly onerous.

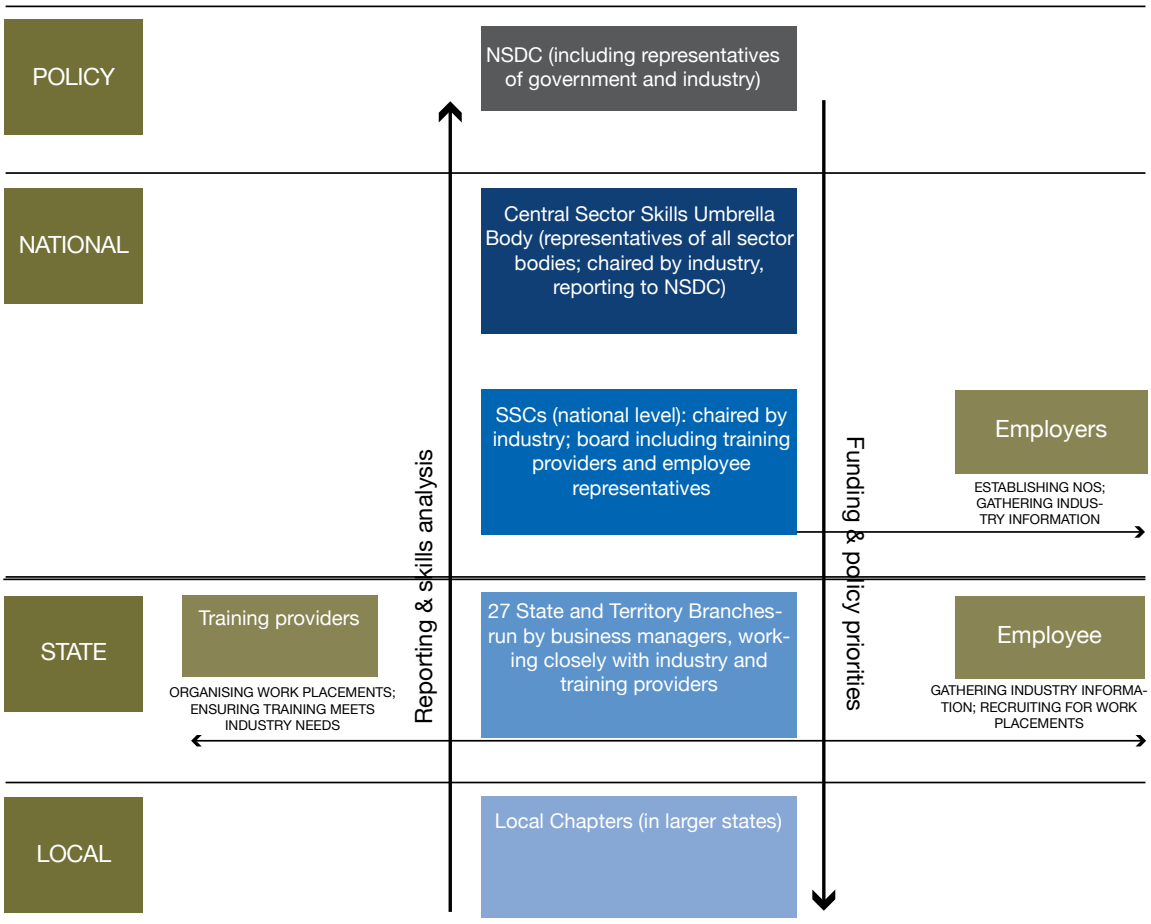
Funding as a performance incentive

- Business plans (required for funding authorisation) should form the basis of quality assurance of sector bodies, along with regular audits by a central quality assurance agency. This will enable an incentive-based performance environment, similar to that used successfully in the Netherlands.

Feedback mechanisms

- Liaison between industry and the national qualifications agency will ensure the quality of National Occupational Standards; feedback from stakeholders in training provision and industry will also enable the sector bodies to gauge success and feed back to the central sector umbrella body.

Figure 6.3.5 Proposed System Map



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Appendices

Appendix 1. The Australian Vocational Education and Training System

A1.1 System Structure

The Australian vocational education system has two layers: the federal level authorities and frameworks that set standards and quality measures, and the state-level government training authorities that regulate training providers. The system is industry-led, jointly managed by state and federal governments, and responsive to client needs[450]. There are four principal components to the system: the Australian Qualifications Framework (AQF), the Australian Quality Training Framework (AQTF), registered training organisations (RTOs) and state and territory registering authorities (STAs).

At a federal level, the government department responsible for the vocational training portfolio is the Department of Education, Employment and Workplace Relations (DEEWR); formerly known as the Department for Education, Science and Training. State-level governments have autonomy over the management of the state training system; they are required, however, to adhere to the national level AQF that sets the competencies and standards for vocational education and training.

Overall responsibility for the training system, and coordination between the different governments, in Australia sits with the Ministerial Council for Tertiary Education and Employment (MCTEE). The Council is responsible for policy, training and workforce planning, and skills forecasting; membership comprises each of the Ministers from federal, state and territory governments[451].

MCTEE is supported by four different national committees:

- National Industry Skills Committee, which provides overall workforce development and skills needs, as well as industry issues.
- National Quality Council[452], which oversees quality in conjunction with the Australian Training and Qualification Framework (ATQF), as well as the registration of training providers.
- National Senior Officials Committee, the administrative arm of MCTEE and responsible for monitoring system effectiveness.
- Ad hoc advisory committees, commissioned for specific and set projects.

The Australian education system is centred around the Australian Qualifications Framework (AQF), which defines standards, competencies and qualifications from Certificate 1 to PhD level. All qualifications are nationally accredited and delivered by registered training organisations (RTOs), which are often professional industry organisations and significant employers. RTOs also include Technical and Further Education institutes, known as TAFEs, which are owned by the state and deliver the majority of qualifications in Australia.

Qualification standards and competencies are assessed by Industry Training Councils (ITCs), of which there are 11 nationally. ITCs are also responsible for producing regular labour market reports and analyses of sector skills needs. The National Quality Council provides the final quality assurance on Training Packages; it also provides assistance and guidance to RTOs on adhering to quality standards, and assistance to ISCs in achieving their strategic priorities.

The Australian Quality Training Framework (ATQF) is a set of quality standards and assessment protocols to ensure that the delivery of training is of a high, consistent standard. The ATQF includes two sets of nationally consistent regulations for organisations wishing to become training providers, and for those who wish to re-register as a registered training organisation (RTO)[453].

The National Quality Council is funded jointly by the federal and state governments of Australia; 50% is funded federally and the remaining costs are shared by the states proportionally according to state income. The state governments also jointly own TVET Australia, a company that is responsible for facilitating national (and coordinated) reform for vocational education and training, and also assists the implementation of the priorities of the Ministerial Council for Tertiary Education and Employment (MCTEE). It also manages the National Audit and Registration Agency, which, as of July 2011, will be subsumed by the Australian Skills Quality Authority (ASQA)[454]. ASQA will systematically subsume the regulatory and registration responsibilities of the state training authorities.

A1.2 Training Provision

Vocational training in Australia is generally delivered in a post-secondary education capacity. Secondary education in Australia is compulsory until the age of 16, after which time learners can remain in secondary schooling for a further two years; they can also progress to TAFE or private colleges, apprenticeships or workplace training, or higher education. Apprenticeships are generally trades-focused and last for three to four years; workplace traineeships are generally services-focused and last for one to two years.

While post-secondary education has been divided traditionally into academic (tertiary) and vocational (further) education, the distinctions between institutions are becoming less clear. Former technical colleges, such as the Royal Melbourne Institute of Technology, have now become universities; other universities are now housing technical and further education colleges in-house and offering sub-degree programmes and pathways.

450 http://www.training.com.au/Pages/menuitem8859775ffeeb7888a392e51017a62dbc.aspx

451 http://www.training.com.au/pages/menuitem1cace8ec6d299888a392e51017a62dbc.aspx

452 Soon to become the National Standards Council (NSC).

453 http://www.training.com.au/Pages/menuitem8859775ffeeb7888a392e51017a62dbc.aspx

454 http://www.deewr.gov.au/Skills/Pages/NationalVETRegulator.aspx

Appendices

Post-secondary training is delivered in the following ways:

Table A1.4 Main Training Providers in Australia

Institution Type	Training Provision
Technical and Further Education (TAFE)	• State owned • Dominate the training market, delivering over 70% of qualifications. • Public colleges with multiple campuses
Private training providers	• Generally private industry-specific colleges, e.g. Hospitality • Smaller colleges offer non-accredited qualifications, although this is only 4% of the market.
Universities	• Some of the earliest Technical Colleges have now become universities (e.g. the Royal Melbourne Institute of Technology). These now offer technical programmes at diploma and degree level. • Some universities have TAFE colleges within their structures.
Workplace training	• Apprenticeships and workplace training is a policy priority, receiving large amounts of funding. • Employers can register as Enterprise Registered Training Organisations (ERTO) and offer their own qualifications (e.g. QANTAS).

A1.3 Funding

Funding for public vocational training primarily operates through the state governments, which hold responsibility for TAFE colleges; funding for state governments is, in turn, allocated through legislated agreement with the Commonwealth (federal) Government. In 2008 the Productivity Places Program (PPP) was set for five years with a budget of $2 billion[455], and a target of funding 711,000 training places. From 2009, state governments became more responsible for funding the existing and new PPP training places, with the expectation that the state governments would contribute 40% of costs, and industry 10%[456].

Other federal training priorities, such as the Skills for Sustainable Growth Initiative in 2010-11, are paid for from the Federal budget. The Critical Skills Investment Fund, part of this initiative, is intended to provide match funding of up to $200 million[457] over four years, and will promote training and employment in industries experiencing skills shortages[458].

Course funding is generally given to individuals, rather than institutions. The tuition loan scheme for Higher Education was extended to cover vocational qualifications (FEE-HELP) in the late 2000s. Under this scheme, individuals can apply for a partially subsidised public loan with which to pay course fees, repayable once a certain level of salary is earned[459].

Organisations wishing to deliver Training Packages are required to pay a fee to the relevant Industry Training Council for a licence. Smaller providers use in-house developed courses, but these are less likely to be reputable. In order for an individual to qualify for public funding, qualifications must be nationally developed and recognised.

A1.4 Qualifications and Certification

The Australian Qualifications Framework (AQF) defines eight qualifications within the vocational education and training sector: Certificates 1-IV, Diplomas and Advanced Diplomas, Vocational Graduate Certificates and Vocational Graduate Diplomas[460], and is for private and public training providers alike[461] . These can be self-accrediting institutions, such as universities, licensed professional colleges and TAFEs, or non-self accrediting institutions.

Vocational education is delivered through Training Packages, which are each owned by one of Australia's Industry Skills Councils (ISCs). These include a number of related units of competency, including recommendations for teaching and learning materials, which are grouped to form broad subject specific skill sets and, when units are combined, form qualifications. These are not always complete qualifications in themselves, but RTOs will provide a Statement of Attainment to provide evidence that a unit has been completed and can contribute to a full qualification over a period of time, as other units are completed.

455 Rs.9600 crore.
456 http://www.aeufederal.org.au/Publications/2010/CEETreport2010.pdf
457 Rs.960 crore.
458 http://www.deewr.gov.au/Skills/Programs/SkillTraining/CSIFund/Documents/20110315_CSIF-FactSheet.pdf
459 http://www.deewr.gov.au/Skills/Programs/Support/VetFeeHelp/StudentsandParents/Pages/StudentsandParents.aspx
460 http://www.training.com.au/pages/menuitem8859775ffeeb7888a392e51017a62dbc.aspx
461 http://www.skillsaustralia.gov.au/PDFs_RTFs/NCVER72182REPORTfinal.pdf

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Table A1.4 Major Vocational Qualifications in Australia[462]

Qualification Type	Description
Certificate I	Cross-sectoral qualifications that introduce the learner to basic skills required in a number of related industries. Current qualifications exist in Agri-Food, Environmental Management, Transport and Logistics, and Manufacturing.
Certificate II	Industry-focused qualification that imparts basic operational knowledge in a moderate range of areas; the learner is expected to take limited responsibility for own actions.
Certificate III	Enables the learner to demonstrate theoretical knowledge and well developed relevant skills, with some expression of discretion and judgement; the learner should also be able to take limited responsibility for the actions of others in the workplace.
Certificate IV	Enables the learner to apply solutions to a range of problems; identify, analyse and interpret information from a range of sources; and to take responsibility for the quality and quantity of the output of others. Frequently this qualification is at Senior Management level.
Diploma	Enables the learner to plan and forecast for requirements, as well as applying technical concepts to a range of issues and problems. The learner should be able to take responsibility for group outcomes.
Advanced Diploma	The learner should demonstrate accountability for group outcomes, as well as for personal outputs. Enables the learner to execute judgements across a wide range of professional outcomes and command highly technical relevant skills. Equivalent to a Bachelor's degree.
Vocational Graduate Certificate	The learner should be able to demonstrate responsibility and accountability for the structure, management and output of others. Should also be able to generate and evaluate ideas at complex and abstract levels. Equivalent to Masters level.
Vocational Graduate Diploma	The learner should be accountable and responsible for all functions, including strategy, budgeting and management. Should also have an expert command of complex technical relevant skills. Equivalent to PhD level[463].

A1.5 Quality Assurance

Quality assurance is given in Australia in two ways: the regulation of qualifications through the AQF, and the regulation of training institutions through the ATQF. The introduction of the Australian Skills Quality Authority in 2011 will create a national regulatory system; the transition will occur in stages, however, with different states moving to the national system throughout 2011-12 [464]. It is expected that the transition to a national regulatory system will achieve national consistency, reduce regulatory complexity and also remain responsive to local needs [465]. From its inception, the Australian Skills Quality Authority will have responsibility for[466] :

- Registering RTOs.
- Approving RTOs as CRICOS providers (i.e. they can accept international students).
- Accrediting vocational education and training courses.
- Auditing RTOs for compliance.
- Analysing and reporting on risks in the vocational education and training sector.

A1.5.1 Quality Assurance of Qualifications

The AQF and its Training Packages provide strict guidelines as to the components, delivery method and assessment required for any given qualification. Any modification of the Training Package is assessed and approved by the National Quality Council to ensure that the standards are not compromised. There are only limited numbers of non-AQF qualifications being delivered, so strong is the reputation for quality that the AQF provides.

Training Packages are considered to be a *'fundamentally different premise to accredited courses'*. They define the competency and outcome of training, rather than prescribing the ways in which a learner is trained. The onus for developing the competency standards is on industry; the responsibility for developing effective training methods is with the practitioner[467].

462 http://www.aqf.edu.au/AbouttheAQF/AQFQualifications/tabid/98/Default.aspx
463 http://www.aqf.edu.au/Portals/0/Documents/Handbook/AQF_Handbook_51-72.pdf#Page=5
464 http://www.asqa.gov.au/the-national-regulator/establishing-a-national-regulator.html
465 Ibid.
466 http://www.asqa.gov.au/about-us/about-the-australian-skills-quality-authority.html
467 http://www.isc.org.au/pdf/training%20packages_a%20story%20less%20told%20FINAL.pdf

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Training Packages comprise three elements: units of competency, as developed by industry; qualifications comprising the units of competency; and assessment guidelines, which establish whether the competencies have been attained. Training Packages are assessed by the National Quality Council (NQC), which represents government, industry and practitioners in terms of establishing and monitoring quality[468].

The National Quality Council is a committee established by the Ministerial Council for Tertiary Education and Employment, and has comprised 14 elected members since 2008. The National Quality Council is responsible for the final approval of Training Packages, and also provides advice and guidance to training providers on different aspects of the ATQF. The National Quality Council is funded jointly by federal and state governments.

A1.5.2 Quality Assurance of Education and Training Provision

The Australian Quality Training Framework, established in 2010, provides the standards for vocational education and training system clients, to ensure high quality and nationally consistency[469].

The ongoing assessment and regulation of training institutions is a requirement of their initial registration; RTOs have, until now, been required to conduct regular self-assessments and submit their reports to their state assessment body. With the introduction of the Australian Skills Quality Authority in July 2011, responsibility for registering and monitoring RTOs will move to the national regulator[470].

Some states will retain regulatory powers over RTOs, however; the approaches to be used by the Victorian and Western Australian governments are the only ones to be published to date. In these states, the state government will continue to regulate providers that only deliver courses to domestic students, or providers that only deliver courses in either, or both, of those states only. RTOs that are registered as Trading Corporations will be automatically regulated by the Australian Skills Quality Authority, regardless of where they operate[471].

As a national regulator, the Australian Skills Quality Authority will have greater powers to monitor and assess risk according to centralised criteria. The introduction of the national body is intended to increase the consistency of standards and quality, and also focus on identifying incidences of non-compliance in RTOs and implementing non-compliance measures, including fines and suspension of registration. Australian Skills Quality Authority sanctions will also include civil and criminal penalties[472].

TAFE institutions, as registered training providers, are also subject to the ATQF requirements and assessment protocols.

A1.5.3 Other Forms of Quality Assurance

In addition to the ATQF requirements, some institutions also choose to become accredited ISO9001 providers, to demonstrate their adherence to international quality standards[473].

468 Ibid.

469 http://www.training.com.au/Pages/menuitem91cdbaeb7a2bc0e2cd9ae78617a62dbc.aspx

470 http://www.asqa.gov.au/the-national-regulator/how-is-the-national-regulator-being-established.html

471 Ibid.

472 http://www.asqa.gov.au/the-national-regulator/how-will-the-national-regulator-be-different.html

473 https://www.det.nsw.edu.au/policies/general_man/quality/quality_courses/PD20070361.shtml

Appendices

A1.6 Key Stakeholders

Table A1.6.1 Policy Makers & Non-Regulatory Policy Bodies

Organisation	Remit
Department of Education, Employment and Workplace Relations	DEEWR is the federal government agency responsible for education and workplace training, transition to work and conditions and values in the workplace.
Ministerial Council for Tertiary Education and Employment	Replaced the Ministerial Council for Vocational Training and Education in June 2009. MCTEE is responsible for higher education, vocational education and training, international education (non-school), adult and community education, the Australian Qualifications Framework, employment, youth policy relating to skills and employment. Key decision-making body, setting national priorities and strategy. Comprises representatives from Commonwealth and state.
Department of Education and Training (NT)	Delivers education and training through government schools, registers non-government schools, and administers VET in the state. The smallest state in Australia in terms of skills delivery.
Department for Education and Training (ACT)	Delivers education and training through government schools, registers non-government schools, and administers VET in the state.
Department for Education and Training (NSW)	The Department is the largest single organisation, public or private, in Australia. With a recurrent budget of $14.4 billion[474], the Department is responsible for around one quarter of the State's total budget. Responsible for education from early childhood to tertiary and further education.
Skills Victoria	Provides information and guidance on skills education and training, including apprenticeships, traineeships and finding training providers. There is no overarching TAFE institution in Victoria and each institution is considered to be independent. Across Victoria there are 18 institutions that train 425,000 people per year.
Department for Education and Training (QLD)	Purpose is to engage Queenslanders in lifelong learning, and covers all education from early childhood to further education. Ran an initiative to run a QLD-specific skills needs commission in 2010.
Department for Education (WA)	The Department of Education and Training provides comprehensive school education for more than 250,000 students in 770 schools spread across Australia's largest state.
Department for Employment, Training and Further Education (SA)	Provides information and services in the areas of skills and training, employment programs, science and innovation and workforce development.
Skills Tasmania	Information about vocational education and training in Tasmania is provided for employers and VET providers, students and apprentices/trainees.

474 Rs.69,200 crore.

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Table A1.6.2 Regulators

Organisation	Remit
Australian Universities Quality Agency (AUQA)	Responsible for regulation and quality assurance in the tertiary education sector. Upcoming reforms will see AUQA activities combined with those at a state regulatory level, forming a new entity known as the Tertiary Education Quality and Standards Agency (TEQSA).
National Quality Council	The NQC is a committee of MCTEE and is responsible for quality assurance of the ATQF and the application of standards to training providers nationally. The Council has decision making powers in terms of Training Packages, and comprises 14 members appointed for three year terms.
Australian Skills Quality Authority	Is replacing the National Audit and Registration Agency (NARA) as a new national regulator from July 2011. Will start subsuming the registration and regulation activities of the different state authorities over 2011 and 2012.
The Training and Skills Commission (SA)	Registers and regulates RTOs in the state; these activities will be subsumed by the ASQA from July 2011 onwards.
Tasmanian Qualifications Authority	Registers and regulates RTOs in the state; these activities will be subsumed by the ASQA from July 2011 onwards.
ACT Accreditation and Registration Council	Registers and regulates RTOs in the state; these activities will be subsumed by the ASQA from July 2011 onwards.
The Vocational Education and Training Accreditation Board (NSW)	Registers and regulates RTOs in the state; these activities will be subsumed by the ASQA from July 2011 onwards.
Skills Victoria	Activities relating to registering and regulating RTOs that are active outside Victoria and with international students have been subsumed by ASQA; responsibility for RTOs with domestic students and that are active only in Victoria remain under their remit.
The Department of Training, Education and the Arts (QLD)	Registers and regulates RTOs in the state; these activities will be subsumed by the ASQA from July 2011 onwards.
The Training Accreditation Council (WA)	Activities relating to registering and regulating RTOs that are active outside Western Australia and with international students have been subsumed by ASQA; responsibility for RTOs with domestic students and that are active only in WA remain under their remit.
Department of Education and Training (NT)	Registers and regulates RTOs in the state; these activities will be subsumed by the ASQA from July 2011 onwards.

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Table A1.6.3 Influencers

Organisation	Remit
Skills Australia	An independent statutory body, providing advice and guidance to the Minister for Tertiary Education, Skills, Jobs and Workplace Relations. Board members include eminent researchers and state-level policymakers. Receives advice from ISCs with which to make workforce development recommendations.
TVET Australia	A company owned by all of the state-level (and federal) governments; assists with the implementation of the MCTEE strategic priorities and supports the National Quality Council.
National Industry Skills Council	The joint portal through which the 11 ISCs collaborate to publish findings and research.
The Enterprise Registered Training Organisation Association (ERTOA)	The national association representing employers and enterprises that are registered training providers. Provides regular briefing and policy analysis documents to member organisations.
The Australian Council of Private Education and Training (ACPET)	The national industry association for independent providers of post-secondary education and training, including higher education and vocational education and training.

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Appendix 2. The Canadian Vocational Education and Training System

A2.1 System Structure

Canada is formed of ten provinces (Ontario, Québec, Nova Scotia, New Brunswick, Manitoba, British Columbia, Prince Edward Island, Saskatchewan, Alberta, Newfoundland and Labrador) and three territories (Northwest Territories, Yukon and Nunavut). There are significant similarities in their education systems, with differences more often occurring in their curriculum, their assessment and their accountability policies. These generally reflect the geographic, historic and linguistic differences between their population[475] . There is no national qualification framework in Canada.

Canada has a two-tier governance system, federal and provincial, making its policy landscape unique. Provincial governments are responsible for education and training because of significant variations in terms of language, culture and ethnic interests from province to province. This autonomy allows each region to tailor its own system according to local requirements[476].

A2.2 Training Provision

Education is compulsory in all provinces up to the age of 16, except in Ontario and New Brunswick, where it is 18. There are thousands of post-secondary non-degree institutions in Canada[477]. Generally it is colleges who provide vocational education, providing courses of one to three years, available on campus or through distance learning and leading to diplomas and certificates[478]. In Quebec, the three-year professional courses overlap with the last year of secondary school.

84% of Canadian adults[479] have at least an upper secondary education, which exceeds the OECD average of two thirds. This figure is higher still for the younger members of the age group. Furthermore, Canada has the highest level of tertiary educated people within the OECD, with 45% holding a tertiary degree, matched only by Israel and Russia. 22% of Canada's population hold a tertiary type B (vocational) qualification[480].

Private vocational institutions provide employment-specific training, such as broadcasting, cosmetology, security and massage therapy. Courses are offered in a range of formats including internships, accelerated programmes, distance and correspondence, classroom or a combination of more than one of these methods. Private vocational institutions operate as businesses[481].

All provinces have a mix of public and private training providers; some also have inter-regional training agreements in place. Alberta, for example, has four different types of training provision[482]:

- Publicly funded training institutions that receive funding from the Department of Advanced Education and Technology, and are accountable to the Minister.
- Private vocational training institutions.
- Institutions approved by the Minister to offer degree programmes; these institutions are either based outside Alberta or are operated for profit.
- Interprovincial training agreements allow Alberta residents to take places on courses in other provinces.

Apprenticeships are an important element of vocational education and training provision in Canada. They are generally aimed at adults, although in some provinces the participation levels of young people are increasing. As with most apprenticeship models, practical training is provided in the workplace and theoretical learning takes place offsite with training providers[483].

A2.3 Funding

National public funding for education tends to be directed through grants[484] and contribution[485] programmes, through which individuals and organisations are financed to deliver employment, skills or social development programmes[486]. Provincial public funding can go directly to institutions; individual learners can also receive loans, grants and education tax credits[487].

In 2005/6 funding from provincial, territorial, federal and local governments totalled CAD75.7 billion[488], for all levels of education.

475 http://www.cmec.ca/pages/canadawide.aspx#02
476 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf
477 http://www.cicic.ca/394/an-overview-of-postsecondary-education.canada
478 http://www.edu.gov.mb.ca/ael/unicoll/index.html
479 Aged 25 to 64.
480 http://www.oecd.org/dataoecd/52/1/37392733.pdf
481 http://www.edu.gov.mb.ca/ael/unicoll/index.html
482 http://aet.alberta.ca/post-secondary/institutions.aspx
483 http://www.cmec.ca/pages/canadawide.aspx#04
484 Unconditional.
485 Certain performance criteria need to be met.
486 http://www.hrsdc.gc.ca/eng/funding_programs/grants_contributions/gs_cs.shtml
487 http://www.nipissingu.ca/faculty/danj/documents/education/cmec%20can%20educ.pdf
488 Rs.350,000 crore.

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This was equal to 16.1% of their total public expenditure. Of this, CAD30.6 billion[489] was spent on post-secondary education and CAD4.6 billion[490] on other education types (e.g. language training for immigrant workers)[491]. Additional funding was provided through donations, wills, non-governmental grants, investments and the sale of products and services[492].

Funding varies between provinces according to policy priorities and size. In 2009/2010, the Alberta Ministry of Advanced Education and Technology spent CAD4.5 billion[493] on public post-secondary institutions[494]. Total operating grants in 2010 for post-secondary institutions and research entities totalled CAD2.2 billion[495] and total infrastructure grants was CAD701 million[496497]. In the Northwest Territories, over CAD46 million[498] was spent in 2004/05 by the Department of Education, Culture and Employment on adult and post-secondary education (of a total budget of CAD213 million[599]).

A2.4 Qualifications and Certification

National Occupational Standards are voluntary and are developed to meet a national demand; national validation and endorsement ensures cross-provincial recognition. They are developed to meet both the national labour plan and sectoral objectives and reduce the obstacles to national labour mobility[500]. Certification is recognised by industry and shows competence in applying knowledge and skills (as defined by a standard or certification scheme).

Accreditation is normally voluntary, with the Alliance of Sector Councils and the Canadian Standards Association working together with stakeholders to develop guidelines to *'support the delivery of national occupational standards, personnel certification [programmes], and accreditation [programmes] for educational or training courses and [programmes]'*[501]. These standards seek to promote collaboration between Sector Councils and other labour market stakeholders.

The *Interprovincial Standards Red Seal Program* was established in 1959 and is a partnership between the Federal Government and the Provinces and Territories. It represents a *'standard of excellence for industry'*. Tradespeople sit an exam and, if successful, obtain an endorsement acknowledging their competence, which is recognised nationwide. Red Seal endorsement is not compulsory and currently covers a total of 52 trades[502].

Table A2.4 Major Vocational Qualifications in Canada

Qualification Type	Province/Territory	Description
Pre-work Training Certificate (PTC)	Quebec	Three years following secondary education.
Training Certificate for a Semi-skilled Trade (TCST)	Quebec	One year following secondary education.
Diploma of Vocational Studies (DVS)	Quebec	600-1,800 hours study, applying a combination of transferable (core) and subject specific skills in order to perform basic workplace duties.
Attestation of Vocational Specialisation (AVS)	Quebec	300-1,185 hours study.
Apprenticeship/Vocational Education and Training	All except Quebec	One to four years, can progress into a Diploma or a Bachelor degree.
Diploma of College Studies (DCS)	Quebec	Pre-university; 2 years. Can also be in a technical stream.
College Diploma	All except Quebec	One to four years; can also provide an alternate pathway to a Bachelor degree.

489 Rs.140,000 crore.
490 Rs.21,400 crore
491 http://www.cmec.ca/pages/canadawide.aspx#02
492 Ibid.
493 Rs.20,900 crore.
494 http://www.aet.alberta.ca/media/279714/annual_report_2009-10.pdf
495 Rs.10,200 crore.
496 Rs.32,600 crore.
497 http://www.aet.alberta.ca/media/279714/annual_report_2009-10.pdf
498 Rs.2,100 crore.
599 Rs.9,900 crore.
500 http://www.councils.org/our-priorities/occupational-standards-and-certification/
501 Ibid.
502 E.g. Bricklayer: http://www.red-seal.ca/tr.1d.2@-eng.jsp?tid=36

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A2.5 Quality Assurance

A2.5.1 Quality Assurance of Qualifications

At provincial government level, the quality assurance regime for qualifications and accreditation differs significantly; there is no federal standard to which they must adhere. Manitoba's Minister for Entrepreneurship, Training and Trade appoints the Apprenticeship and Certification Board, which develops the objectives, requirements and standards for designated trades. Trade specific Provincial Trade Advisory Committees are then appointed to *'provide advice on regulation content and training standards in each designated trade'*[503].

On Prince Edward Island, each trade has its own Trade Advisory Committee, which is a subcommittee of the Provincial Apprenticeship Board. Trade Advisory Committees recommend training standards and certification, identifying relevant training needs and review the curriculum[504]. The Campus Alberta Quality Council is an arms-length quality assurance agency that assesses and makes recommendations to the Minister on new post-secondary study programmes. The Council also provides periodic reviews.

A number of professions have their own associations who accredit qualifications[505]. The HRSDC produced a national occupational analysis which is used to set national standards for a trade and to *'create parameters outlining the tasks of a trade for regulatory purposes, and to develop item banks for interprovincial certification examinations'*.

In terms of certification, public post-secondary training institutions ('recognised' institutions) are given the authority to award diplomas and certificates; private post-secondary institutes ('registered' or 'licensed' institutions) tend to award their own diplomas and certificates[506].

A2.5.2 Quality Assurance of Education and Training Provision

Programme quality assurance in Canada is generally the responsibility of training providers themselves, which have to ensure that they comply with state policy and legislation[507]. The exact arrangements for quality assurance for providers vary between provinces, for example:

- In Manitoba, all private educational institutions must by registered with the Department of Advanced Education and Literacy. The Department's Director of Private Vocational Institutions is responsible for ensuring regulations and requirements are met, including course material and instruction[508].
- On Prince Edward Island, governance is the responsibility of its Board of Governors, which includes quality assurance in the establishment of courses, admission standards, diploma qualifications, exams and examiners, academic boards and committees and all recruitment. This board, in turn, reports to the Minister of Education. Annual graduate surveys also provide quality assurance. Private training schools are regulated under the Private Training Schools Act[509].
- British Columbia has its own Education Quality Assurance, which is a 'seal' of quality for post-secondary education. There are four different provisional quality assurance bodies governing the various post-secondary institutions, each with its own quality assurance system[510]. These are:
    - Ministry of Regional Economic and Skills Development.
    - Degree Quality Assessment Board, covering new degree programmes.
    - Languages Canada, covering public and private language training institutions.
    - The Private Career Training Institutions Agency of British Columbia is the regulatory agency for private training institutions, under the authority of the Ministry of Advanced Education.

A2.5.3 Other Forms of Quality Assurance

The Association of Canadian Community Colleges promotes quality programming and establishes quality criteria for its members[511], but does not provide formal quality assurance. Also promoting good practice is the Association of Accrediting Agencies of Canada[512].

503 http://www.cicic.ca/567/quality-assurance.canada
504 http://www.cicic.ca/581/practices.canada
505 http://www.cicic.ca/567/quality-assurance.canada
506 http:///www.cicic.ca/510/fact-sheet-no-5.canada
507 http://www.cicic.ca/394/an-overview-of-postsecondary-education.canada
508 http://www.cicic.ca/567/quality-assurance.canada
509 http://www.cicic.ca/581/practices.canada
510 http://www.bceqa.ca/students
511 http:///www.cicic.ca/510/fact-sheet-no-5.canada
512.http://www.cicic.ca/567/quality-assurance.canada

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A2.6 Key Stakeholders

Table A2.6.1 Policy Makers & Non-Regulatory Policy Bodies

Organisation	Remit
Industry Canada	Department responsible for regional economic development, innovation and research and development. Seeks to foster an increasingly competitive, knowledge-based economy, increase the country's share of global trade and build a *'fair, efficient and competitive marketplace'*.
Department of Indian and Northern Affairs	Responsible for the education of indigenous people (referred to as First Nations). Seek to ensure that indigenous people benefit from strong, self-sufficient communicates and can make a contribution to the country as a whole.
Human Resources and Skills Development Canada	Federal Government department. Seeks to improve Canadians' quality of life and ensure that the economy is stronger and more competitive. Develops policies around skills and learning, as well as other workforce related areas. Provide services for citizens online, providing information on available government services and benefits.
Council of Ministers of Education in Canada	An intergovernmental body designed to provide a forum for inter-provincial issues and a means of consultation. Sponsors research in education and also *'assesses the skills and competencies of Canadian students'*.
Forum of Labour Market Ministers	Established in 1983 to provide a forum for sharing of issues and initiatives related to workforce and skills development.
Advanced Education and Technology, Alberta	Responsible for technology, adult learning, and apprenticeship and industry training. Collaborate with industry to develop program standards, provides support for apprentices and employers, funds approved apprenticeship and training programmes, certifies apprentices and occupational trainees.
British Columbia Ministry of Advanced Education	Responsible for post-secondary and adult education. Seeks to develop skills and knowledge of British Columbians, ensuring *'accessible, affordable, high quality post-secondary education and training'*. Provides services and programmes to ensure province-wide accessibility. Current focus on 'high demand' fields, which include nursing, skilled trades and engineering. Also incorporates the British Columbia Ministry of Regional Economic and Skills Development.
Manitoba Department of Advanced Education and Literacy	Supports skills development (of all ages) and seeks to grow industry, trade and employment within the province. *'[provide] active leadership in developing and maintaining a skilled labour workforce', '[engage] all stakeholders (employers, educational institution, community groups and workers) in developing training opportunities that support and expand Manitoba's economy', '[work] with private industry and entrepreneurs to meet mutual economic goals' and '[encourage] and [support] local, national and international trade opportunities'.*
Manitoba Department of Entrepreneurship, Training and Trade	Supports education and training at all levels, and also is responsible for labour force development.
New Brunswick Department for Post-Secondary Education, Training and Labour	Seeks to promote access to and quality of post-secondary education and training, and to meet labour market needs through increased labour force participation.
Newfoundland and Labrador Ministry of Education	Covers post-secondary education and skills training, as well as the K-12 system and adult literacy. Seeks to ensure that citizens are armed with the necessary knowledge, values and skills to be productive members of society, contributing to the province's economy. Provides a wage subsidy programme for employers taking on apprentices.
Northwest Territories Department of Education, Culture and Employment	Remit includes adult and post-secondary education, career and employment development, apprenticeship and occupational certification and employment standards. Develops education policy, sets program standards and funds program delivery. Program delivery for adult and post-secondary education is primarily via Aurora College.

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Organisation	Remit
Nova Scotia Department of Education	Mandate spans entry level education to post-secondary, including communities and private career colleges, universities and other institutions *'supporting human development'*. Also includes public libraries.
Nova Scotia Department of Labour and Advanced Education	Skills and learning moved from the Department of Education to the Department of Labour and Advanced Education in 2008, with Higher Education following in 2011.
Nunavut Department of Education	Remit includes adult learning, career and early childhood services. Provides grants, loans, bursaries and scholarships to post-secondary students, oversees trade programme delivery as well as apprenticeships, adult literacy, essential skills and adult basic education. Like the Sector Councils it provides research and labour market information.
Ontario Ministry of Training, Colleges and Universities	Responsible for legislation and policy relating to education and skills training. Operates Employment Ontario, which provides information for students, job seekers and employers, delivering training services, setting standards for occupational training and managing programmes supporting workplace training. Also undertake labour market research. Private career colleges must be registered with the Ministry.
Prince Edward Island Department of Education	Governing body for all education, but Province has only one university and two community colleges.
Quebec Ministere de l'Education, du Loisir et du Sport	Responsible for all education; started a large programme designed to promote and improve vocational training in 1986, including a competency-based approach.
Saskatchewan Department of Advanced Education, Employment and Immigration.	Responsible for Adult Education, Post-Secondary Education and Employment Programs. Also responsible for allocation funding under the Skills Training Allocation programme.
Yukon Department of Education, Culture and Employment	Provides education, training and employment services for labour force development. Operate according to the Yukon Training Strategy and the Labour Force Development Agreement.

Table A2.6.2 Regulators[513]

Organisation	Remit
Engineers Canada	Includes 12 provincial and territorial associations that regulate the engineering profession. Has over 234,000 members in Canada. Established, in 1986, the Canadian Engineering Qualifications Board, developing national guidelines, standards of practice and a code of conduct.
Association of Accrediting Agencies of Canada (AAAC)	A national network of professional accrediting bodies, providing guidelines and assistance for the maintenance of standards. AAAC is a membership organisation, currently representing 30 professions
Canadian Standards Association	Not for profit, membership organisation, which works to develop industry standards to facilitate trade. Includes environmental, health and safety, as well as education. Work collaboratively with TASC to develop delivery guidelines for NOS, personnel certifications programs and accreditation programmes. These standards, in turn, promote coherence between the sector councils and other bodies working to overcome labour market issues.
National Association of Career Colleges	An umbrella body (membership) for affiliated provincial colleges. Provides regulatory services for its member institutions.

513 NB: certification and accreditation are voluntary; the organisations listed here have no statutory capacity.

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Table A2.6.3 Influencers

Organisation	Remit
Aboriginal Affairs Working Group	Seeks to *'celebrate, promote and share the accomplishments and proven advancements in Aboriginal economic development'*. Established in 2009 by Provincial and Territorial Ministers, together with the National Aboriginal Organization, to improve the lives of Canada's Aboriginal people. Education and skills training are among their priority areas.
Alliance of Manitoba Sector Councils	The representative body for 18 industry training organisations across Manitoba.
Association of Industry Sector Councils, Nova Scotia	Coordination body for industry sector councils across Nova Scotia – also responsible for facilitating discussion with relevant policy and other industry bodies.
Canadian Federation of Independent Business (CFIB)	Membership body, representing 108,000 small business owners. Lobby all three levels of Government and fight for reduced tax and regulatory burden.
Canadian Policy Research Networks	Connects businesses with Government and is Canada's most influential business association. Has a network of over 420 chambers of commerce and represents 192,000 businesses of all sectors, regions and scale.
The Alliance of Sector Councils (TASC)	Supports all member Sector Councils, sharing best practice, working on priority areas, facilitating policy and programme discussion and acting as a contact point for sectors, government and other stakeholders. Also fosters and mentors new and emerging councils.
Association of Canadian Community Colleges (ACCC)	A membership organisation representing colleges across Canada. Provides facilitation and networking opportunities to members.
Industry Training Authority	The provincial agency responsible for apprenticeships and industry training in British Columbia.
Polytechnics Canada	Represents research-intensive and publicly funded colleges and institutes of technology. Seeks to help both colleges and industry to create jobs. Currently has 10 members, including *'industry-responsive post-secondary education institutions'*. Together members offer over 1,400 certificate and diploma programmes, and have 24,000 apprenticeship students.
Association of Canadian Community Colleges	Represents Canadian colleges and institutes to Government and industry, nationally and domestically.

Appendices

Appendix 3. The English Vocational Education and Training System

A3.1 System Structure

Education and skills policy is the responsibility of individual nations in the United Kingdom, whose policy frameworks have increasingly diverged since devolution[514]. In England, there are three main Government departments which cover various aspects of skills development:

- The Department for Business, Innovation and Skills has responsibility for further education and skills policy, with a focus on adult learners.
- The Department for Education has responsibility for education, including vocational education and training, for learners up to the age of 19.
- The Department for Work and Pensions is responsible for employment policy, including some aspects of work-related training. It is currently, for example, developing sector-based work academies which will offer pre-employment training[515].

These departments are supported by a range of non-departmental public bodies which have responsibility for areas such as quality assurance, accreditation and funding. Some aspects of skills policy, such as the operation of SSCs, are UK-wide. Relevant agencies with responsibility for other aspects, such as the accreditation of approved qualifications, communicate closely with agencies from the other nations[516]. There is a greater role for non-departmental public bodies in England (and in Northern Ireland) than in Wales, where local government plays a greater role, or in Scotland, where the college sector is important[517].

Social partnership arrangements in England have been characterised by consultation at the national level, active participation at the sectoral level and collective bargaining within local negotiations on access to training[518]. Policy bodies theoretically work closely with other stakeholders, including employers, unions, training providers and awarding bodies. Hodgson and Spours of the Institute of Education, however, argue that the system is predominantly education-based, and, when compared to other national systems, social partnership arrangements and workplaces play a relatively minor role[519].

System structure in England has been characterised by constant change. Successive governments, and even successive ministers, have attempted to stamp their mark on the skills development system. This has led not only to changes in department/agency roles and responsibilities, but also a landscape in which education and training providers have had to deal with constant changes. These include, but are not limited to, changes to the way in which they are funded, the organisations to whom they report and the measures on which they are judged. The climate of change has also characterised the backdrop to and development of Sector Skills Councils.

A3.2 Training Provision

Education in England is compulsory up to the age of 16. Learners in some schools can choose vocational options from the age of 14, such as the new diploma (see Table 3.3.3.5). At the age of 16, many learners choose between an academic learning route in schools and sixth form colleges, a vocational learning route in colleges or direct entry into employment[520]. A recent development has come in the form of proposals for University Technical Colleges, which would focus on 14-19 education in particular sectors, and would be supported by a local university[521].

From 2015, some form of learning will be compulsory up to the age of 18[522]; apprenticeships are expected to underpin necessary expansion in education and training opportunities. Apprenticeships combine work with on-the-job and off-the-job training, leading to nationally recognised qualifications. They are available to everyone aged 16 or above, and there are around 200 different apprenticeships available[523]. Other than apprenticeships, forms of publicly funded workplace learning are notably rare in England[524].

Further education colleges, including sixth-form colleges and specialist colleges, are the main providers of post-compulsory skills training in England. Others include private training providers, employers and local authorities[525]. Certain higher education institutions also offer vocational provision, such as foundation degrees (see Table 3.3.3.5) and professional degrees. Further education and skills provision, in terms both of the actual providers and the courses that they offer, vary significantly by local area[526].

514 http://eprints.ioe.ac.uk/6735/1/Hodgson2011Organisational(Chapter).pdf
515 http://dwp.gov.uk/policy/welfare%2Dreform/get%2Dbritain%2Dworking/#academies
516 http://www2.trainingvillage.gr/etv/publication/download/panorama/5159_en.pdf
517 http://eprints.ioe.ac.uk/6735/1/Hodgson2011Organisational(Chapter).pdf
518 http://www2.trainingvillage.gr/etv/publication/download/panorama/5159_en.pdf
519 http://eprints.ioe.ac.uk/6734/1/Hodgson2011National(Chapter).pdf
520 Some do not select, or are not able to select, any of these three options; policy makers have continually struggled to address the problem of so-called 'NEETS' – those not in employment, education or training.
521 http://eprints.ioe.ac.uk/6736/1/Hodgson2011Post-compulsory(Chapter).pdf
522 See, for example, http://webarchive.nationalarchives.gov.uk/+/www.direct.gov.uk/en/Nl1/Newsroom/DG_173002.
523 https://nextstep.direct.gov.uk/Improvingyourcareerthroughlearning/typesoflearning/learningwhileyouwork/Pages/Apprenticeships.aspx
524 http://eprints.ioe.ac.uk/6736/1/Hodgson2011Post-compulsory(Chapter).pdf
525 http://eprints.ioe.ac.uk/6735/1/Hodgson2011Organisational(Chapter).pdf
526 http://eprints.ioe.ac.uk/6734/1/Hodgson2011National(Chapter).pdf

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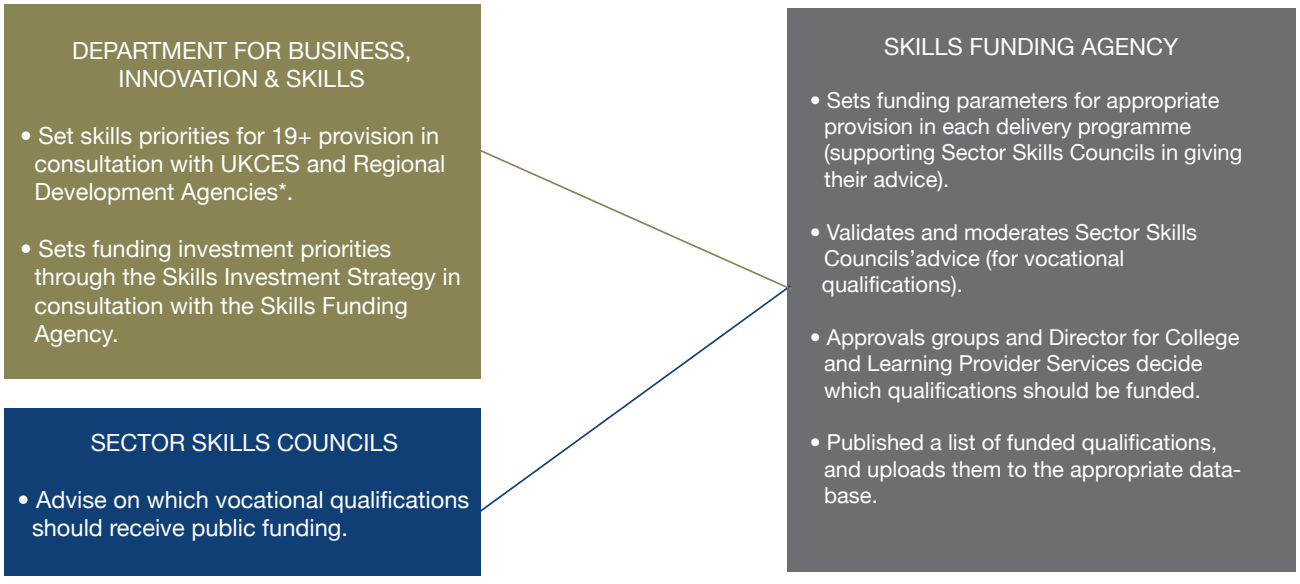
In terms of other national provision, LearnDirect offers e-learning, both online and through physical centres, in various basic skills and areas of business. It offers both short courses and courses leading to qualifications, and has a particular focus on reaching those with few qualifications who are unlikely to participate in traditional forms of learning. There is also a variety of private and community training providers, targeting both individuals and employers, which offer courses that are not eligible to receive public funding.

A3.3 Funding

There are currently two main agencies responsible for the funding of vocational education and training in England: the Skills Funding Agency (adults) and the Young People's Learning Agency (up to the age of 19). The Skills Funding Agency focuses on the funding of adult learning and skills, with an annual investment budget of £4 billion[527,528]. It funds units and qualifications on the Qualifications and Credit Framework (see Section A3.4) together with certain other qualifications such as A levels, GCSEs and functional skills[529]. Units and qualifications which are not supported by the relevant SSC are not eligible to receive public funding[530]. The Young People's Learning Agency[531] holds responsibility, together with local authorities, for the funding of learning 16 to 19 year-olds, for funding and supporting Academies and for funding support for young learners[532].

Although funding can be fine-tuned at a local and sectoral level, major funding decisions are made centrally. For adult learning, the Department for Business, Innovation and Skills publishes a Skills Investment Strategy every year which sets out available funding and learner numbers across various programmes. The Skills Funding Agency then works with providers and employers to agree allocations[533]. This includes the involvement of SSCs and sector agreements[534]. In deciding whether to fund provision, commissioning agencies are expected to consider the needs of learners, employers and the local community; levels of demand; local demography; quality improvements and provider viability; and local, regional and national strategies[535].

Figure A3.3 Funding Confirmation for Post-19 Learners: Roles and Responsibilities[536]



*Due to close in 2012.

527 Rs.286, 800 crore.
528 http://skillsfundingagency.bis.gov.uk/
529 http://www.thedataservice.org.uk/NR/rdonlyres/B6277E04-ECC1-43DB-AF07-B1A8FB24DF67/0/SFA_QCF_Qualification_Journey_Oct_2010.pdf
530 Ibid.
531 The Young People's Learning Agency is due to be dissolved in 2012 and replaced with the Education Funding Agency. The Education Funding Agency will have a similar remit but will also fund schools which have not become Academies.
532 http://www.ypla.gov.uk/ and http://skillsfundingagency.bis.gov.uk/
533 http://eprints.ioe.ac.uk/6735/1/Hodgson2011Organisational(Chapter).pdf
534 http://skillsfundingagency.bis.gov.uk/aboutus/faqs/#_How_does_the
535 http://www.bis.gov.uk/assets/biscore/corporate/docs/f/bis-urn10-920-faw.pdf
536 http://readingroom.lsc.gov.uk/SFA/Funding_Approval_Process.pdf

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The Government has proposed changes to the funding of adult skills development. These include simplification of systems and processes, and greater alignment between pre- and post-19 funding[537]. The Government also plans to establish a Growth and Innovation Fund aimed at skills and workplace development. Government will contribute up to £50 million[538] and it expects that training will be co-funded by business[539]. For individuals, the Government has proposed introducing a loans system to support training for intermediate and higher-level qualifications in which public funding is no longer available[540,541] . Lifelong learning accounts for individuals, which would encompass the new loans system and other forms of financial support and incentives, have also been proposed[542].

Training levies, for which there is no national mandatory requirement, have tended to develop in sectors in which there is a high proportion of contract workers and freelancers, such as the construction and film sector[543] .

A3.4 Qualifications and Certification

The National Qualifications Framework (NQF) was introduced in 2000 and covered England, Wales and Northern Ireland. There are nine levels: entry level and levels 1 to 8[544]. It includes only qualifications that have been accredited by regulators in each of the three nations[545]. The Qualifications and Credit Framework was introduced in 2008 in an attempt to recognise smaller chunks of learning within the qualifications system; it consists of pre-defined units of learning, which can be combined to form full qualifications[546] . Ofqual is responsible for approving units and qualification structures. Two important points arise from the introduction of the Qualifications and Credit Framework [547]:

- It operates in parallel to the National Qualifications Framework. Secondary education qualifications are unlikely to be transferred over to the new system due to political difficulties in restructuring them, and higher education qualifications operate within a separate framework. Most other countries with qualifications framework operate a single system.
- A broader range of stakeholders is able to help specify the content of credits and qualifications. Large employers have responded to this opportunity in many cases. Sector Skills Councils, which previously needed to work with awarding bodies in order to have an influence on units or qualifications, are now able to submit units directly onto the framework.

Unlike many other countries, qualifications in England are market-driven. This has led to a plethora of awarding bodies and the existence of more than 15,000 regulated qualifications in England[548]. Assessment in the UK tends to be competence-based[549].

Table A3.4 Major Vocational Qualifications in England

Qualification Type	Description
Entry Level Qualifications	Open to people without any prior qualifications. There are over 100 entry level certificate options, including academic subjects, general vocational subjects, specific vocational subjects and basic skills such as literacy and numeracy. Once entry levels 1 to 3 are complete, learners can progress to learning at level 1 on the National Qualifications Framework or Qualifications and Credit Framework[550].
Skills for Life	Certificates are available in Adult Literacy, Adult Numeracy and ICT. Skills for Life qualifications are targeted at learners who have left full-time education and do not have an up-to-date English or Mathematics qualification at level 2. In some cases, they are also offered by schools to 14-16 year-olds[551].

537 http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/s/10-1276-simplified-fe-funding-response.pdf
538 Rs.3,600 crore.
539 http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/s/10-1274-skills-for-sustainable-growth-strategy.pdf
540 This constitutes adults aged 24 and above who study for qualifications at level 3 and above (these qualifications will remain co-funded by individuals and the state until 2013, at which point they will lose state funding).
541 http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/s/10-1274-skills-for-sustainable-growth-strategy.pdf
542 Ibid.
543 http://skylla.wz-berlin.de/pdf/2006/i06-102.pdf
544 http://www2.trainingvillage.gr/etv/publication/download/panorama/5159_en.pdf
545 http://www.direct.gov.uk/en/EducationAndLearning/QualificationsExplained/DG_10039017
546 http://www.sld.demon.co.uk/qcf.pdf
547 Ibid.
548 http://www.ofqual.gov.uk/files/11-05-16-Ofqual-Business-Plan-V2.pdf
549 http://www.direct.gov.uk/en/EducationAndLearning/QualificationsExplained/DG_10039023
550 http://www.direct.gov.uk/en/EducationAndLearning/QualificationsExplained/DG_10039031
551 http://www.direct.gov.uk/en/EducationAndLearning/QualificationsExplained/DG_10039028

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Qualification Type	Description
Key Skills Qualifications	These cover cross-sectoral areas such as Communication, Application of Numbers, ICT, Working With Others, Improving Own Learning and Performance, and Problem Solving. Offered broadly by schools, colleges, private training providers, employers, the Armed Forces and the Prison Service[552].
Diplomas	A qualification for 14-19 year-olds which offers a combination of academic and practical learning. Offers flexibility, including the ability to combine it with GCSEs and A levels. Core subjects include English, Mathematics and IT, together with a practical project and work experience; the broader focus is on a vocational specialism[553].
BTEC/City & Guilds/OCR Nationals	Vocational qualifications offered in a variety of sectors, which have an industry focus and use the brands of England's major vocational awarding bodies. Sectors can include Art & Design, Business, Health & Social Care, IT, Media, Public Services, Science and Sport[554].
Other Vocational Qualifications	Offered by a broad range of awarding bodies, in various sectors and at all levels on the Qualifications and Credit Framework. Example awarding bodies include the Awarding Body for the Built Environment, Safety Training Awards, Counselling and Psychotherapy Central Awarding Body and the Institute of Hospitality[555].
HNCs, HNDs and Diplomas of Higher Education	Higher National Certificates (HNCs) and Higher National Diplomas (HNDs) are vocational higher education qualifications, offered by further education colleges and universities. With additional study, they can be converted into a bachelors degree. Their focus is on the practical application of knowledge. Diplomas of Higher Education are similar; they are *'highly respected by employers'* and usually only require a year of additional study to convert them into a bachelors degree[556].
Foundation Degrees	University-level qualifications, equivalent to the first two years of an honours degree, which are designed with a particular area of work in mind. It usually involves an element of workplace learning[557].

552 http://www.direct.gov.uk/en/EducationAndLearning/QualificationsExplained/DG_10039028

553 http://www.direct.gov.uk/en/EducationAndLearning/QualificationsExplained/DG_070676

554 http://www.direct.gov.uk/en/EducationAndLearning/QualificationsExplained/DG_10039020

555 http://register.ofqual.gov.uk/Organisation?Paging=True&PageNumberProperty=PageNumber&PageSizeProperty=PageSize&PageNumber=1&SortBy=NameAsc&Name=&Acronym=&RecognitionNumber=&Status=&QcfUnitSubmitter=False&QcfStructureSubmitter=False&ComponentAwardingBody=False&QualificationType=&PageNumberAction=1&PageSize=Default50

556 http://www.direct.gov.uk/en/EducationAndLearning/QualificationsExplained/DG_10039026

557 http://www.direct.gov.uk/en/EducationAndLearning/QualificationsExplained/DG_10039022

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A3.5 Quality Assurance

A3.5.1 Quality Assurance of Qualifications

Qualifications have to be approved by SSCs in order to qualify for public funding. In order to approve a qualification, the relevant SSC has to be confident that it is needed in its sector[558]. Awarding bodies have to provide SSCs with the following information on which to base their decision[559]:

- Anticipated demand for the proposed qualification.
- How the proposed qualification meets the Sector Qualification Strategy and its associated Action Plan.
- The approximate number of units that will make up the proposed qualification.
- The suggested title, formatted according to the Qualifications and Credit Framework, and outlining the level.
- Assessment details.
- Progression routes and opportunities.

If the qualification is to be used as a license to practice or to address changing legislation, awarding bodies must also (a) make reference to the relevant legislation and (b) demonstrate evidence of support from the relevant regulatory bodies. Once SSCs are satisfied that the proposed qualification meets their requirements, it must provide written confirmation of approval to the awarding body.

The awarding body uses this written confirmation to demonstrate approval of the qualification to Ofqual[560], which is charged with the regulation of qualifications, examinations and assessment in England[561]. When the awarding body submits its qualification to Ofqual for accreditation, it must also provide the SSC with details of the qualification's structure, including unit structure and how these units may be combined[562]. In the case of *'high scrutiny'*[563] qualifications, the qualification must be submitted to the SSC for a final check before its submission to Ofqual.

Before accrediting qualifications, Ofqual must be confident that SSC approval has been granted. Suggested information for inclusion includes the qualification title, the name of the approving SSC, confirmation that it is part of a Sector Qualifications Strategy, the date of approval of a qualification, the dates between which approval of the qualification is valid, and confirmation, together with a rationale, of whether the qualification is high or low scrutiny[564]. Ofqual may also accredit qualifications which do not have SSC support if (a) the qualification falls outside SSCs' footprints and (b) the awarding body can demonstrate appropriate levels of support [565]. Quality standards for qualifications set by Ofqual include validity (i.e. measurement of what is supposed to be measured), reliability, comparability, manageability and freedom from bias[566].

Ofqual is currently shifting its focus from regulation of individual qualifications towards regulation of awarding bodies, thereby conferring responsibility for quality, standards and value for money attached to qualifications on the awarding bodies themselves. Ofqual will continue to regulate popular qualifications, but states that the sheer number of qualifications in England prohibits it from scrutinising every regulated qualification[567].

A3.5.2 Quality Assurance of Education and Training Provision

The Government has made a commitment to investing only in those who deliver quality provision: where training providers *'fail to meet performance thresholds, funding will be removed and re-allocated'*[568]. As part of the quality assurance system, providers are expected to review and assess continually their own performance and to be proactive in making quality improvements[569]. Central Government, in conjunction with the Skills Funding Agency and the Young People's Learning Agency and in consultation with sector bodies, is responsible for setting the national minimum standards which providers are expected to meet[570]. Provider performance is reviewed annually[571].

In theory, the Skills Funding Agency is responsible for both funding and quality assurance of post-19 training providers, and local authorities, supported by the Young People's Learning Agency, are responsible for the quality assurance of provision for 16-19 year-olds[572]. In reality, the situation is more complex. *'Sponsoring bodies',* defined as the single organisation which is charged with holding relevant training providers to account in terms of the quality of their provision, are as follows[573].

558 http://www.sscalliance.org/nmsruntime/saveasdialog.aspx?lID=8600&sID=14989&ei=q58BTpmnAcamhAfJ-ZWaDQ&usg=AFQjCNGT4HuwtiXbPFNlkCvAK62VhROMzQ
559 Ibid.
560 Ibid.
561 http://www.ofqual.gov.uk/files/11-05-16-Ofqual-Business-Plan-V2.pdf
562 http://www.sscalliance.org/nmsruntime/saveasdialog.aspx?lID=8600&sID=14989&ei=q58BTpmnAcamhAfJ-ZWaDQ&usg=AFQjCNGT4HuwtiXbPFNlkCvAK62VhROMzQ
563 The qualification represents a licence to practise, is defined by statute, or the awarding body has failed to involve the SSC in adequate early dialogue.
564 http://www.ofqual.gov.uk/files/2010-01-15-open-letter-ssc-approval-process-1.pdf
565 Ibid.
566 http://www.ofqual.gov.uk/files/11-05-16-Ofqual-Business-Plan-V2.pdf
567 Ibid.
568 http://www.dti.gov.uk/assets/biscore/corporate/migratedd/publications/s/skills-investment-strategy.pdf
569 http://www.bis.gov.uk/assets/biscore/corporate/docs/f/bis-urn10-920-faw.pdf
570 Ibid.
571 Ibid.
572 Ibid.
573 Ibid.

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- Local authorities (following guidance from the Young People's Learning Agency) quality assure:
  - School sixth forms.
  - Sixth form colleges.
  - Private, voluntary, local authority and independent learning providers which are funded/contracted by local authorities themselves (note that if providers are funded and contracted both by the relevant local authority and by the Skills Funding Agency, the latter is responsible for quality assurance).
- The Skills Funding Agency quality assures:
  - Further education colleges.
  - Private, voluntary, local authority and independent learning providers which it funds and contracts.
- The National Apprenticeship Service (working on behalf of the Skills Funding Agency) quality assures:
  - Apprenticeship providers.

Where local authorities are not the sponsoring body of training provision, they must ensure that commissioning decisions take quality issues into account. They must also continue to monitor the quality of commissioned provision and to work with the sponsoring body to identify and address any concerns[574]. The Government has proposed simplification of the funding system[575], although there are as yet few details on the ways in which funding will be simplified.

In addition to self-assessment, evidence of provider performance can come in the following forms[576]:

- Framework for Excellence surveys. The Framework for Excellence aims to provide comparable assessment of all post-16 further education provision and providers. It incorporates a small number of core indicators (e.g. qualification success rates) which apply to all types of provider, and specific indicators (e.g. employer views for workplace training providers) which are tailored to different types of provider and provision[577].
- Ofsted reports. Ofsted is the agency responsible for inspection of training providers, and its judgements are used to inform the quality improvement process[578]. Ofsted also considers Framework for Excellence indicators as part of its overall assessment[579].

Where quality of provision is a cause for concern, institutions may be required to take actions to improve performance. They may also receive a formal Notice to Improve, find their commissioned provision altered, and/or be subject to statutory intervention[580] Formal interventions can include removal of funding, removal of contracts or closure. Where providers are required to improve, they can receive tailored support from the Learning & Skills Improvement Service[581].

Training providers can 'earn' autonomy through successful performance, after which benefits include greater say in determining their learner and subject intake, less audit scrutiny and fewer inspections, and priority over receiving new funds from the Skills Funding Agency[582]. Another important aspect of quality assurance in respect of training providers is the quality assurance role of awarding bodies in assessment. Awarding bodies must ensure that assessments are reliable and valid, that they are consistent within and across training providers. Quality assurance measures include the use of moderators and external verifiers to ensure that candidate assessment is appropriate, and appropriate actions when training providers demonstrate weaknesses in processes or procedures[583].

A3.5.3 Other Forms of Quality Assurance

Higher education quality assurance is, as the name suggests, the responsibility of the Quality Assurance Agency for Higher Education (QAA). The quality assurance system is quite different to that imposed upon other types of providers, as higher education institutions in England are independent and self-governing[584]. The QAA has developed an academic infrastructure as a reference point from which institutions can set, describe and assure the quality of their higher education courses. The academic infrastructure incorporates frameworks for higher education qualifications, subject benchmark statements, programme specifications and a code of practice[585].

The Training Quality Standard was originally developed by the Learning & Skills Council (now the Skills Funding Agency and the Young People's Learning Agency) in order to recognise and celebrate *'the best organisations delivering high quality, high impact training to employers'*[586]. It is built upon employer needs and provider practice, and the assessment framework includes demonstration of delivery competence, responsiveness, expertise in training and a commitment to continuous improvement[587].

574 Ibid.
575 http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/s/10-1274-skills-for-sustainable-growth-strategy.pdf
576 http://www.bis.gov.uk/assets/biscore/corporate/docs/f/bis-urn10-920-faw.pdf
577 http://www.derby.ac.uk/files/lsc_framework_for_excellence.pdf
578 http://www.bis.gov.uk/assets/biscore/corporate/docs/f/bis-urn10-920-faw.pdf
579 http://www.derby.ac.uk/files/lsc_framework_for_excellence.pdf
580 http://www.bis.gov.uk/assets/biscore/corporate/docs/f/bis-urn10-920-faw.pdf
581 Ibid.
582 http://www.bis.gov.uk/assets/biscore/corporate/migratedd/publications/s/skills-investment-strategy.pdf
583 E.g. http://www.ofqual.gov.uk/download/category/49-recognition?download=221%3Aawarding-organisation-self-assessment-guidance-for-evaluating-and-improving-performance
584 http://www.qaa.ac.uk/aboutus/WhatWeDo.asp
585 http://www.qaa.ac.uk/academicinfrastructure/default.asp
586 http://skillsfundingagency.bis.gov.uk/employers/training-quality-standard/
587 http://www.trainingqualitystandard.co.uk/uploaded/files/tqs007-2v1-introguide-180209.pdf

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A3.6 Key Stakeholders

Table A3.6.1 Policy Makers & Non-Regulatory Policy Bodies

Organisation	Remit
Department for Business, Innovation & Skills	Government department responsible for further education and skills. It aims to *'create a dynamic and efficient skills system with informed, empowered learners and employers served by responsive colleges and other providers in their areas'*.
Department of Education	Government department responsible for education and learning up to the age of 19. Has responsibility for certain vocational qualifications and learning programmes, including apprenticeships and the diploma.
Department of Work & Pensions	Government department responsible for welfare and pension policy. Its employment activity encompasses certain areas of skills policy, such as the training of jobseekers.
UK Commission for Employment & Skills	Non-departmental public body charged with providing strategic leadership on skills and employment issues across the UK. Also responsible for the funding, performance management and continuous improvement of Sector Skills Councils.
Learning & Skills Improvement Service	*'Sector owned public body'* which aims to accelerate quality improvement, increase participation rates and raise standards and achievement in the learning and skills sector in England. Develops and provides resources that help training providers to improve quality, including through the sharing of good practice and the provision of tailored programmes of support.

Table A3.6.2 Regulators

Organisation	Remit
Ofqual	Regulates qualifications, examinations and assessments in England, and accredits awarding bodies and qualifications.
Ofsted	Inspects and regulates education and skills provision for learners of all ages. Inspects a wide range of further education and training providers, and can compare standards across the range of publicly-funded provision.
Quality Assurance Agency for Higher Education (QAA)	Responsible for safeguarding quality and standards in higher education across the UK. Ensures academic standards and quality in universities and colleges; the QAA checks the extent to which they meet their responsibilities, identifies good practice and makes recommendations for improvement.
Skills Funding Agency	Funds and regulates adult further education and skills training in England. An agency of the Department for Business, Innovation and Skills.
Young People's Learning Agency	Funds learning opportunities for 16-19 year olds, funds and supports Academies and provides funding support for young learners. Due to be dissolved in 2012 and to be replaced by a new body, the Education Funding Agency.
National Apprenticeship Service	Has various responsibilities around the oversight and promotion of apprenticeships; regulatory functions consist of the funding and quality control of apprenticeship delivery.
Local Authorities	Responsible for the quality assurance of training providers that they contract, except for in cases where those providers are also contracted by the Skills Funding Agency.

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Table A3.6.3 Influencers

Organisation	Remit
Alliance of Sector Skills Councils	Represents, promotes and supports the work of the Sector Skills Councils across the UK. It is their *'collective voice'* and works to position them within the UK skills system.
Institute for Learning	Professional body for teachers, trainers, tutors and trainee teachers in further education and skills. Enables members to achieve professional status and also works to influence the national further education and skills agenda.
Association of Colleges	Represents and promotes the interests of colleges; provides members with professional support services. Aims to maximise funding for colleges and to represent the views and interests of members by influencing policy making, strategic and funding bodies.
157 Group	Represents 28 large further education colleges in England. Provides a national voice on strategy and policy. Participates on formal boards and committees with sector agencies.
Federation of Awarding Bodies	Trade association representing over 100 awarding bodies. Provides a forum for awarding bodies to consider vocational qualification developments collectively; formulates co-ordinated action; encourages positive relationships and communications, and establishes an ongoing dialogue with Government and agencies.
Joint Council for Qualifications	Organisation representing the seven largest awarding bodies in the UK (AQA, City 7 Guilds, CCEA, Edexcel, OCR, SQA and WJEC). Provides common administrative arrangements for training providers, and deals with regulators and the media.
National Institute of Adult Continuing Education (NIACE)	Charity and membership organisation consisting of, among others, training providers, the Trades Union Congress, the BBC and the Ministry of Defence. Runs campaigns, delivers research and consultancy, engages policy makers and runs events.

Appendices

Appendix 4. The Dutch Vocational Education and Training System

A4.1 System Structure

The 1996 Adult and Vocational Training Act saw substantial system modification. National qualifications were based on four levels and had two pathways (work-based and education-based); all public training providers were rationalised into 46 regional training centres; and funding for initial vocational training was moved from a focus on inputs to a focus on outputs[588].

Although the Netherlands allows for a strong input from local and regional organisations, policy tends to be made at national government level and involves different stakeholders. This national system and the relatively small size of the Netherlands also allows for strong institutional remits; the Ministry of Education is only responsible for establishing guidelines. It is the Knowledge Centres who are responsible for development qualifications and standards; schools are responsible for implementing the qualifications and standards. There are 12 provinces, each with their own remit, which does not include education and training policy. The 483 municipalities, however, administer all public schools and contribute to policy preventing students from leaving education and training early. Furthermore, the municipalities plan adult education and integration courses and work to reintegrate the unemployed[589].

Dutch vocational education system comprises three levels[590]:

- National, which includes national social partner organisations, examination institutes, advisory bodies, and ministries.
- Sectoral, which includes national Knowledge Centres for vocational training, and social partner organisations.
- Regional, which includes municipalities, private training centres, and schools.

All government-funded colleges for senior secondary and adult vocational education in the Netherlands are represented at national level by the Netherlands Association of VET Colleges (MBO Raad)[591]. The representative body for Agricultural Colleges is the AOC Council (AOC Raad)[592]. Private vocational education institutions are represented by an umbrella organisation formerly known as the Platform of Approved Private Educational Institutions (Paepon), but now known as the NRTO[593]. Universities are represented by the Association of Universities of Professional Education (HBO Raad).

A4.2 Training Provision

Education is compulsory to all in the Netherlands up to the age of 18[594]. Based on the primary school score and teacher advice, learners are either placed into the secondary general education stream (5-6 years) or the preparatory vocational education and training scheme (VMBO, four years). Students can then choose to enter senior secondary vocational education (MBO). Higher education is also divided into academic streams and vocational streams (HBO) and is available at universities offering which offer professional education[595].

Continuing vocational education (CVET) is provided at regional training centres (ROCs) and includes adult education and general secondary education for adults (VAVO), training for the unemployed, and training for the employed (corporate training)[596].

Students in the MBO stream can choose two routes: a full time college-based route, including work placements, or a primarily work-based route, which incorporates part-time education and give learners apprenticeship status[597]. There are around 320,000 school-based vocational learners, and 180,000 work-based vocational learners[598]. Training for both set of learners can take place through one of ROCs, Agricultural Education and Training Centres or specialist training centres (Vakscholen)[599]. There are also 185,000 accredited learning companies in the Netherlands[600].

A4.3 Funding

Funding can be channelled to training providers in three ways: directly from central Government, via municipalities[601] or through the Knowledge Centres themselves[602] .

Over the period 2005 to 2010, almost □100 million[603] was invested by the Dutch Government into Accreditation of Prior Learning at both higher vocational education and upper secondary levels. This investment was to develop a regional infrastructure for both learning and working and to promote Recognition of Prior Learning[604] .

588 http://www.ncver.edu.au/research/proj/nr2013.pdf
589 http://www.cedefop.europa.eu/EN/Files/5142_en.pdf
590 Ibid.
591 http://www.mboraad.nl/?page/530112/About+us.aspx
592 http://www.aocraad.nl/international/pages/english/
593 www.nrto.org.nl
594 Recently increased from 16.
595 http://libserver.cedefop.europa.eu/vetelib/2011/77473.pdf
596 http://www2.trainingvillage.gr/etv/publication/download/panorama/5142_en.pdf
597 http://www.eqavet.eu/Libraries/2009_Publications/Quality_assurance_systems_in_work_based_learning_and_assessment_in_European_VET.sflb.ashx?download=true
598 Ibid.
599 Ibid.
600 Ibid.
601 http://libserver.cedefop.europa.eu/vetelib/eu/pub/cedefop/vetreport/2010_CR_NL.pdf
602 Sung, 2010.
603 Rs.6,500 crore.
604 http://libserver.cedefop.europa.eu/vetelib/2011/77473.pdf

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Certain sector training funds are sourced through a levy system of 0.2% to 0.5% of the wage bill as well as public funding, which relates to the amount of training within the particular sector[605]. Initial vocational training is generally funded by Government, while continuing vocational education is more the responsibility of the private sector[606]. Funding is used, following consultation with the unions, to accredit employers for tax breaks, and thus *'stimulating demand'* for training, and to develop occupational standards on which the vocational training providers base their curriculum[607].

A4.4 Qualifications and Certification

There is currently no National Qualifications Framework in the Netherlands, but the Ministry of Education, Culture and Sciences is currently developing a proposal and undertaking consultations in order to establish one[608]. The Ministry is also working to set up a framework to translate their qualifications onto the European Qualifications Framework (EQF)[609].

The VMBO combines theoretical education with vocational. About 60% of Dutch students are enrolled in VMBO[610] and can choose from four sectors: technology, care and welfare, economics and agriculture[611]. Preparatory VET leads to the Senior Secondary Vocational stream (MBO), and that has four levels of education[612]:

The two pathways for qualifications (currently 700 of them) are[613]:

- School based pathway: the student is on a work placement between 20% and 60% of the time, for which they receive minimal remuneration and a placement contract. This is known locally as BOL.
- On the job training pathway: the student spends four days per week on the job, for which they are under a normal work contract; one day each week is spent learning theory. This is referred to as BBL.

Qualifications are developed by the Knowledge Centres and are based on competencies (knowledge, skills and attitudes) necessary for a job, a role within society or for continued education[614]. A 'qualifications file' follows a set format of 25 competencies, ensuring comparability between different qualifications. It contains the work processes for core tasks, and identified which competencies are used for each process. Qualifications files are developed from occupational profiles, which are created using job descriptions from the labour market. They are then approved by the Coordination Centre for Senior Secondary Vocational Education Qualifications, an independent assessment body and used by employers and education institutions in order to determine the content of study programmes and courses, while the subjects are outlined in the curriculum.

In lower secondary pre-vocational education, examination syllabi are set in a framework by the Ministry of Education, Culture and Science, and then developed further into course curriculum by the Foundation for Curriculum Development[615]. In upper secondary vocational education, social partners determine the occupational profiles, which are then turned into qualification profiles (as above) by the Knowledge Centres. The schools are then responsible for setting curriculum[616].

In higher vocational education, qualifications and programmes are assessed by the schools and then accredited by the Dutch-Flemish Accreditation Organisation[617]. Continuing vocational education and training (CVET) is unregulated[618] .

All of the courses available within the vocational secondary system must be on the Central Register of Vocational Courses (CREBO). This keeps track of all courses available, pathways to qualifications, government funding and the bodies permitted to validate examinations[619].

605 http://www.ukces.org.uk/assets/bispartners/ukces/docs/publications/ssda-archive/ssda-catalyst-issue-2-lessons-from-abroad.pdf
606 http://goo.gl/0ha6c
607 http://www.ukces.org.uk/assets/bispartners/ukces/docs/publications/ssda-archive/ssda-catalyst-issue-2-lessons-from-abroad.pdf
608 http://www.cedefop.europa.eu/EN/Files/6108_en.pdf
609 http://libserver.cedefop.europa.eu/vetelib/2011/77473.pdf
610 http://www.portamosana.nl/onderwijs/internationalisering/internationalisering_havo/dutch_secondary_education
611 http://www.kenwerk.nl/dutch-vocational-education/--vmbo/2396
612 http://www.kenwerk.nl/dutch-vocational-education/--mbo/2397
613 http://eacea.ec.europa.eu/education/eurydice/documents/eurybase/national_summary_sheets/047_NL_EN.pdf
614 Colo and the Knowledge Centres on Dutch VET, available at: http://www.colo.nl/publications.html
615 http://libserver.cedefop.europa.eu/vetelib/eu/pub/cedefop/vetreport/2010_CR_NL.pdf
616 Ibid.
617 Ibid.
618 Ibid.
619 http://libserver.cedefop.europa.eu/vetelib/2011/77473.pdf

Appendices

Table A4.4 Major Vocational Qualifications in the Netherlands

Qualification Type	Description
VMBO	Pre-vocational secondary education. Levels 1 to 4. Graduates are eligible for admission to MBO. Students have the option of choosing between the following learning pathways: • Theoretical learning pathway: middle management level; can also be a bridge across to the general education stream • Mixed learning pathway: middle management level • Advanced vocational learning pathway: middle management level • Basic vocational learning pathway: prepares students at basic level. • Practical pathway: on the job training for directly job market entry. Students can choose from four sectors: technology, care and welfare, economics and agriculture[620].
MBO	Senior secondary vocational education. Offered in economics, technology, health, personal care, social welfare and agriculture[621]. The MBO has four levels of education[622]: • Level 1: assistant training (6 – 12 months) • Level 2: basic vocational training (2 - 3 years) • Level 3: professional training (2 - 4 years) • Level 4: middle management (3 - 4 years) or specialist training (1 - 2 years)
HBO	The HBO is practice orientated and designed to enable entry into the labour market. There are approximately 260,000 students enrolled in HBOs and covering a range of sectors, both full and part time[623]. Of the four years required for HBO, the first is a foundation and the fourth (and final) focuses on a specific project and thesis, with a nine-month work placement within the main body of the course[624]. HBOs are offered in seven sectors; social welfare, education (i.e. teacher training), agriculture, engineering and technology, fine and performing arts, healthcare and economics and business administration[625].

A4.5 Quality Assurance

A4.5.1 Quality Assurance of Qualifications

Knowledge Centres are responsible for developing 'qualification files' in conjunction with industry and education providers, which establish standards and competencies. Qualification files are then used to develop curriculum. These qualification files are then evaluated and assured by the Ministry of Education, Sport and Culture[626] . Knowledge Centres are also responsible for evaluating foreign qualifications and recognising professional qualifications[627].

Training providers are themselves responsible for the quality assurance of assessment; this is supplemented by external quality assurance checks by the Inspectorate of Education[628].

620 http://www.kenwerk.nl/dutch-vocational-education/--vmbo/2396
621 http://www.kempel.nl/DeKempel/Documents/EducationSystemInTheNetherlands.pdf
622 http://www.kenwerk.nl/dutch-vocational-education/--mbo/2397
623 http://www.intstudy.com/study_abroad/livfiles/twenether.htm
624 Ibid.
625 http://www.kempel.nl/DeKempel/Documents/EducationSystemInTheNetherlands.pdf
626 http://www.cedefop.europa.eu/etv/Upload/Information_resources/Bookshop/517/5181_en.pdf
627 Ibid.
628 http://www.eqavet.eu/Libraries/2009_Publications/Quality_assurance_systems_in_work_based_learning_and_assessment_in_European_VET.sflb.ashx?download=true

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A4.5.2 Quality Assurance of Education and Training Provision

In the Netherlands, educational institutions have a high degree of autonomy over their quality assurance and are able to complete self-assessments every two years[629]. There are regulations for quality assurance that institutions must comply with however, including[630]:

- Institutions should quality assure all aspects of their areas of responsibility, including qualifications, accessibility, qualifications pathways and student advice and guidance.
- Establishing internal goals and quality standards.
- Establishing assessment methods and including external parties in the quality evaluation process.
- Involving external bodies to evaluate the quality of examinations.

The Inspectorate of Education inspects the self-assessments submitted by the regional training centres[631]. If an issue is discovered in terms of quality, the institution has the opportunity to improve before further action is taken; the Ministry can choose to close the institution if no improvement is detected[632]. The OECD notes that increased autonomy for the regional training centres has resulted in serious quality issues[633].

Part of the remit of Knowledge Centres is to provide accreditation and quality assurance for employers undertaking student work placements. According to CEDEFOP, quality assurance of work placements is conducted through examinations and also through qualitative surveys of students and employers, to determine whether the placement has been productive and satisfactory[634].

In higher education, the Dutch-Flemish Accreditation Organisation (NVAO) is responsible for assessing the quality of training in professional (and tertiary) higher education institutions[635].

A4.6 Key Stakeholders

Table A4.6.1 Policy Makers & Non-Regulatory Policy Bodies

Organisation	Remit
Ministry of Economic Affairs, Agriculture and Innovation	Involved in lifelong learning, employability initiatives and the validation of learning, both formal and informal. Includes education and training with the in agricultural sector.
Ministry of Education, Culture and Science	Responsible for the entire education system, including vocational and adult.
Ministry of Security and Justice	Responsible for immigrant integration, including education.
Ministry of Social Affairs and Employment	Responsible for training unemployed workers. Works across departments on issues relating to work, family, and carers. Remit includes social inclusion and gender issues.

Table A4.6.2 Regulators

Organisation	Remit
Central Register of Vocational Courses (CREBO)	Colleges the data relating to training. Lists all courses by institution, as well as exit qualifications and learning pathways. Also provides information regarding course funding and which bodies have the authority to validate examinations.
Inspectorate of Education	Inspects and reviews schools and educational institutions, publicly reporting its findings. Provides information for policy development.
NVAO	Quality assures higher education provision.

629 http://www.oecd.org/dataoecd/17/15/33777767.pdf
630 http://www.cedefop.europa.eu/etv/Upload/Information_resources/Bookshop/517/5181_en.pdf
631 Ibid.
632 http://www.oecd.org/dataoecd/17/15/33777767.pdf
633 Ibid.
634 http://www.cedefop.europa.eu/etv/Upload/Information_resources/Bookshop/517/5181_en.pdf
635 http://www.nvao.net/

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Table A4.6.3 Influencers

Organisation	Remit
Colo	National Centre of Expertise on vocational training, education and the labour market. Oversees the 17 Knowledge Centres nationally.
Knowledge Centres	Also known as 'Knowledge Centres'. Regionally based and responsible for organising and monitoring work placements, and developing the qualification competencies for 237 qualifications.
Confederation of Netherlands Industry and Employers (VNO-NCW)	The largest organisation to be representing Dutch employers, both domestically and internationally. Represents over 115,000 enterprises, covering most sectors. Seeks to promote and improve the Netherlands' business climate and boost competitiveness. Reach includes infrastructure, environment and education.
Netherlands Association of VET Colleges (MBO Raad)	Represents all the government-funded colleges, which cover secondary VET and adult education. Seeks to promote the interests of the VET sector and contributes to the modelling of vocational education in the Netherlands. Also represents all regional vocational education and training centres.
Steering Committee of Vocational Education, Training and the Labour Market	Established by the Netherlands Association of VET Colleges and Colo in 2010 to develop sectoral agreements for the qualification structure and work placements.
Nuffic	The Dutch organisation for cooperation in higher education; collaborates closely with Colo and compare international qualifications with the Dutch equivalences.
UVW	The public employment body in the Netherlands. Works closely with Colo to reduce youth unemployment – an agreement signed in 2009.
Research Centre for Education and the Labour Market	Part of the Maastricht University School of Business and Economics. Seeks to *'improve the understanding of the relationship between education and the labour market'.* Studies the impact of skills and education in other areas, such as demand and supply of labour as well as performance. Research is funded in part by the Netherlands Organization for Scientific Research (NW)) and the SBE's research school METEOR.
Centre for Work and Income	Not for profit government organisation, seeking to place job seekers in employment. Includes immigrant workers.
The Work Enterprise	Formerly the Social Security Agency and the Centres for Work and Income; the two merged in 2009.
Foundation for Curriculum Development	Responsible for developing course syllabi from the examination framework established by the Ministry of Education, Culture and Science.

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Appendix 5. The New Zealand Vocational Education and Training System

A5.1 System Structure

In New Zealand, schooling is compulsory until the age of 16. There are three branches of education: primary, secondary and tertiary (which includes both Higher and Further Education). The Department of Education oversees the entire education system in New Zealand, and provides funding for both institutions and students. The Department of Education has also appointed the New Zealand Qualifications Authority (NZQA) to oversee all registration, accreditation and quality assurance elements of post-secondary education in New Zealand, including the maintenance of the New Zealand Qualifications Framework (NZQF). The Tertiary Education Commission is responsible for managing the funds relating to post-secondary education (around $3 billion[636] per year) and also provides policy advice[637].

Industry Training Organisations (ITOs) are responsible for setting standards for occupations according to industry feedback; these standards are then used to develop qualifications. ITOs also arrange for 'industry training' in which they assure providers to deliver qualifications on the NZQF.

A5.2 Training Provision

There are a number of different types of tertiary education institutions in New Zealand[638] :

- Universities .
- Colleges of Education.
- Polytechnics and Institutes of Technology (public providers), of which there are 20 institutes.
- Private Training Establishments (offering industry-led teaching and offering NZQF qualifications; can also be employers and government training institutions).
- Wananga (publicly-owned tertiary institutions that provide education in a Maori cultural context).
- Industry Training Organisations (not delivery bodies per se, but arrange training in the industry they represent; can also be accredited to become assessors in their relevant areas).

Learners can register independently in an institution; alternatively they can apply for a training place (and funding) as a trainee through an ITO. ITOs organise training places according to industry needs; they also apply for funding on behalf of trainees. In order to apply, the trainee must be employed (and subject to an employee training agreement with the employer), and the trainee must be studying in an approved institution or an approved industry training organisation[639]. The majority of workplace training occurs at NVQF levels 1-4; higher levels are generally delivered at a Polytechnic or Private Training Institution[640].

A5.3 Funding

The Tertiary Education Commission is responsible for the allocation of Government funding for post-secondary education; this is approximately $3 billion[641] per year[642].

Funding for institutions is through a combination of Government subsidies (from the Tertiary Education Commission) and learner fees. The Government awards funding only to approved institutions; it is based on the number of students in each course, and the length of time each course takes. Funding is only available to institutions that have been registered and approved by the NZQA; similarly, learners are only allowed to access public funding for study on courses that are listed on the NZQF[643]. Institutions are required to submit an Investment Plan in order to become eligible for funding; annual reporting against this plan is required in order to continue registration and funding[644].

The Industry Training Fund is administered through Tertiary Education Commission; it is a scheme under which systematic training is delivered to a specific industry to meet skills needs. The fund is generally only accessed by Industry Training Organisations and is granted subject to agreed Investment Plans, which are monitored by the Tertiary Education Commission. Any training provider applying for funding through ITOs under the scheme must abide by rules and conditions set by the Tertiary Education Commission[645]. For an ITO to be able to claim funding through the Industry Training Fund, each trainee must have a valid training agreement; funding is determined based on the amount of training required for the trainee to achieve 120 units[646] .

Learners can access a Student Loan Scheme, under which repayment is not taken until a set level of income is reached, post-graduation[647].

636 Rs.110,700 crore.
637 http://www.tec.govt.nz/About-us/
638 http://www.nzqa.govt.nz/providers-partners/about-education-organisations/
639 http://www.tec.govt.nz/Funding/Fund-finder/Industry-Training-Fund/Payment/
640 http://www.clms.le.ac.uk/publications/workingpapers/working_paper49.pdf
641 Rs.110,700 crore.
642 http://www.tec.govt.nz/Funding/
643 http://www.nzqa.govt.nz/providers-partners/registration-and-accreditation/
644 http://www.tec.govt.nz/Funding/
645 http://www.tec.govt.nz/Funding/Fund-finder/Industry-Training-Fund/
646 http://www.tec.govt.nz/Funding/Fund-finder/Industry-Training-Fund/Payment/
647 http://www.nzqa.govt.nz/providers-partners/registration-and-accreditation/

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A5.4 Qualifications and Certification

The New Zealand Qualifications Framework replaced the previous NQF in July 2010, and is a single repository for all qualifications. The NZQF is designed to outline the skills and competencies a learner gains from a qualification, support the development of a strong educational pathway, and improve the transferability of New Zealand qualifications internationally[648]. The new NZQF is a searchable database, listing information on the credit value of the qualification, the outcomes expected, and information on the qualification developer[649].

The NZQF has ten levels. All qualifications listed on the NZQF have a credit value, which indicates the amount of learning required to attain it; one credit is equal to ten learning hours. All qualifications on the NZQF are given a New Zealand Standard Classification of Education (NZSCED) code[650]. In 2009, there were 5,937 qualifications listed on the NZQF; 76% were certificates and diplomas[651].

National Certificates in New Zealand, as provided by the NZQA, recognise a student's achievement in a number of industries and subjects and include the National Certificates of Educational Achievement levels 1 to 3. They recognise existing skills, eliminating the need in some cases for education or training. Courses towards National Certificates are available, however, at polytechnics, private training establishments, schools and wananga. National certificates can also be attained via workplace training and apprenticeships[652] .

Training organisations and Industry Training Organisations develop qualifications; in 2009 there were 361 organisations that developed the 3,455 qualifications. Of the top 11 developer organisations, nine were provider institutions[653].

Table A5.4 Major Vocational Qualifications in New Zealand

Qualification Type	Description
Level 1-4	Certificates
Level 5 -6	Diplomas
Level 7	Bachelor Degrees; Graduate Diploma and Certificates
Level 8	Bachelor Honours Degree; Postgraduate Diploma and Certificate
Level 9	Masters Degree
Level 10	Doctoral Degree

A5.5 Quality Assurance

The primary body responsible for quality assurance for post-secondary non-university education in New Zealand is the New Zealand Qualifications Authority (NZQA). NZQA has developed a comprehensive quality assurance policy framework with which to assess qualifications and qualifications delivery[654].

A5.5.1 Quality Assurance of Qualifications

Training providers offering courses at levels 1-6 must ensure that the courses lead to an existing qualification registered on the NZQF. If the course requires a new qualification to be registered on the NZQF, the provider must apply for course approval and accreditation from NZQA. The process for registering a qualification includes[655]:

- Designing the course in conjunction with NZQA guidelines, funding criteria and stakeholder interest.
- Course review by an independent expert.
- Obtain internal approval as per the institute's Quality Management System.
- Completing an application form online.

Standard Track approval and accreditation from NZQA takes approximately three months; Preferential Track approval takes one month. Preferential Track applications are available to providers with a history of robust course development and recognised experience in delivery of qualifications[656].

Non-national certificates are developed by education providers and must be approved by the relevant quality assurance body. (These may be referred to as *'Provider Developed'* or *'Provider'* qualifications)[657].

648 http://www.nzqa.govt.nz/assets/Studying-in-NZ/New-Zealand-Qualification-Framework/requirements-nzqf_2.pdf
649 Ibid.
650 Ibid.
651 http://www.nzqa.govt.nz/assets/About-us/Consultations-and-reviews/TROQ/report-numbers.pdf
652 http://www.nzqa.govt.nz/qualifications-standards/qualifications/national-certificates-and-national-diplomas/
653 Ibid.
654 http://www.nzqa.govt.nz/studying-in-new-zealand/quality-assurance-of-education-in-new-zealand/
655 http://www.nzqa.govt.nz/providers-partners/registration-and-accreditation/course-approval-and-accreditation/process-for-developing-a-course/
656 Ibid.
657 http://www.nzqa.govt.nz/assets/About-us/Consultations-and-reviews/TROQ/report-numbers.pdf

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A5.5.2 Quality Assurance of Education and Training Provision

The New Zealand Qualifications Authority (NZQA) conducts registration and accreditation of providers; it is the primary quality assurance body for tertiary non-university training providers[658]. In 2007, responsibility for quality assurance was shifted to the Tertiary Education Commission (TEC); the TEC discharges its responsibility, however, by commissioning NZQA to provide quality assurance activities[659].

Training providers are required to receive approval from NZQA for the courses they wish to offer, as well as two forms of accreditation: course accreditation confirms that the provider is deemed capable of delivering the course to set standards, and consent to assess confirms that the provider is able to assess against the set standards[660].

To maintain registration as a training provider, private training providers must demonstrate that they continue to comply with the statutory obligations set by NZQA. Each private training provider is required to submit information annually, including an Annual Fee Return, a Statutory Declaration, Chartered Accountant Professional Attestations and proof of the protection of student fees[661].

Private training providers are not obligated to undergo a registration process, but unregistered private training providers are not permitted to assess against standards and qualifications on the New Zealand Qualifications Framework[662]. Additionally, course approval and the institute's eligibility to assess students are prerequisites for being granted public funding[663].

A5.5.3 Other Forms of Quality Assurance

Some ITOs offer their own industry-standard quality assurance scheme for training providers that demonstrate excellence in delivery. The Agriculture ITO (AGITO), for example, offers AgExcel to providers that meet their industry endorsed standards, and is intended to *'lift the bar for providers and ensure a superior experience for trainees'*[664].

A5.6 Key Stakeholders

Table A5.6.1 Policy Makers & Non-Regulatory Policy Bodies

Organisation	Remit
Department of Labour	Attracts and invests in migrant labour. Analyses labour market and human capital, offering advice to business and other stakeholders as appropriate. Also offers support where necessary to improve workforce skills. Seeking to achieve a *'more effective labour market'* within three to five years, as well as a *'more effective immigration system'* to meet demands.
Ministry of Economic Development	Government's six point economic strategy, which seeks to deliver greater *'prosperity, security and opportunities',* includes education and skills development. So as not to spread itself too thinly, New Zealand's economic development is focusing on specific industries and sectors: Food and Beverage Sector, Tourism and Major Events, Petroleum, Minerals, ICT Sector, the New Zealand Screen Industry (as a film location), Government Procurement, and the Finance Sector.
Ministry of Education	Lead advisor to Government on the education system. Responsible for strategic leadership and policy development for early childhood and schooling. Focus on leadership, governance, strategy, monitoring and evaluation for tertiary education. Undertake research and analysis, administer legislative and regulatory controls, determines levels of required funding and delivers it. Also represent New Zealand's education sector abroad.

658 http://www.educationcounts.govt.nz/__data/assets/pdf_file/0013/32314/National_Report_on_the_Development_and_State_of_Adult_Learning_and_Education_-_final_draft_-_PDF_version_for_website.pdf

659 Ibid.

660 http://www.nzqa.govt.nz/providers-partners/registration-and-accreditation/course-approval-and-accreditation/

661 http://www.nzqa.govt.nz/providers-partners/registration-and-accreditation/maintaining-registration/

662 http://www.nzqa.govt.nz/providers-partners/registration-and-accreditation/

663 Ibid.

664 http://agito.ac.nz/agexcel

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Table A5.6.2 Regulators

Organisation	Remit
New Zealand Qualifications Authority	Seeks to provide assurance that New Zealand qualifications are 'credible and robust' both domestically and overseas. Remit includes both secondary and (non-university) tertiary qualifications, such as from polytechnics and private training establishments. Develop and register the NZQF and oversees qualifications of immigrant workforce.
Tertiary Education Commission	Responsible for publicly funded post-secondary training, managing $3 billion[665] annual Government funding. Has a service centre as contact point for tertiary educators and provide advice on policy and its implementation, helping tertiary education institutions be more accountable and self sufficient. Also administers Modern Apprenticeships.

Table A5.6.3 Influencers

Organisation	Remit
AKO Aotearoa (National Centre for Tertiary Teaching Excellence)	Works to assist educators achieve the best possible outcome for learners. Proactive throughout tertiary sector, including workplace learning, building relationships with learners, educators and employers.
Business New Zealand	Promotes sustainable growth via free enterprise, championing a number of policies relating to *'balanced employment, economic and environmental legislation',* and *'innovation and skill development'.*
Careers New Zealand	Government agency offering free careers advice and support to citizens. Work with industry and community groups to help ensure wider group of people are able to be *'active contributors to New Zealand's economy'*. Also partner with other agencies, education providers, and influencer groups.
Industry Training Federation	A membership organisation for Industry Training Organisations. Represents all 38 ITOs and liaises with Government and other industry bodies. Works with agencies as well as sector groups, seeking to *'improve the policy for and delivery of industry skill development and workplace learning'.* Works in four areas: sector performance, industry/sector relations, government relations and strategic policy.

665 Rs.110,700 crore.

Appendices

Appendix 6. The South African Vocational Education and Training System

South Africa's apartheid history makes it unique, as the country struggles to correct inequalities. Until 1998 Technical Colleges were segregated, with varying resources available to students of different races. The apprenticeship system saw a high number of white youths enter into technical trades, particularly within mining and manufacturing. Black people, however, were actively prevented from acquiring skills relevant to a competitive labour market[666].

Following the apartheid era, 152 technical colleges were reduced to 50 FET colleges through series of mergers. This saw disadvantaged institutions combined and integrated with advantaged colleges[667]. The FET Colleges Act increased the autonomy and ownership of the multi-campus colleges; colleges now choose their own course offerings and manage their own funds.

The National Plan for Further Education and Training aims to achieve a million learners in FET colleges by 2014; initiatives include the expansion of pathways from colleges to higher education and the creation of the Department of Higher Education and Training.

A6.1 System Structure

Education governance in South Africa is divided between two departments: the Department of Education, which now oversees basic and school education; and the Department of Higher Education and Training (DHET), which oversees all non-school based training.

The National Qualifications Framework in South Africa is established and overseen by the South African Qualifications Authority (SAQA), which is an official body appointed by the Ministers of Labour and Education. SAQA is responsible for establishing and monitoring the National Qualifications Framework, in conjunction with Standards Generating Bodies, which set standards for each occupation.

Sector Education and Training Authorities (SETAs) are responsible for managing the quality of training at a sector level; they are also responsible for collecting employer training levies. Education Training and Quality Authorities (ETQA), frequently also SETA organisations, are responsible for accrediting training providers.

Quality assurance is divided between SAQA and ETQAs, with responsibility for accrediting and monitoring training providers; and the Quality Council for Trades and Occupations (QCTO), who will be responsible for accrediting qualifications and submitting them to SAQA for registration on the NQF.

A6.2 Training Provision

Vocational education in South Africa is delivered through FET colleges, which can be public or private[668]. 50 multi-site FET colleges were formed in 2002 from existing technical colleges and training centres. Learners can choose to take courses leading to qualifications registered on the National Qualifications Framework, including qualifications at Certificate and Diploma levels.

Public FET colleges are the primary public providers of vocational education and training, with 50 multi-site institutions across South Africa. Private colleges (which must register as FET colleges if they provide qualifications at levels 2-4) number 316 across the country. Other training providers offer short courses and courses not registered on the National Qualifications Framework, including some international qualifications.

The Skills Development Act of 1998 adopted learnerships over apprenticeships, which consist of a number of units of structured learning and practical work experience, combing to form a qualification on the National Qualifications Framework. The practical experience could be acquired in more than one institution or workplace[669].

Short learning programmes are also available; they are designed to be occupationally based and deliver credits on the NQF towards achieving a full qualification. These are also known as 'skills programmes'[670].

A6.3 Funding

In accordance with the Skills Development Act (1998), SETAs collect a levy from private sector employers via the South Africa Revenue Service; currently, the levy is 1% of the wage bill.

Companies paying Rs. 2.5 lakhs or more per year in wages are eligible for the charge; public and not-for-profit companies and those with a wage bill of less than Rs. 2.5 lakhs are not eligible to pay)[671]. 70% of the levy is reclaimed via grants for training provision, with 20% being contributed to the National Skills Fund (NSF). The remaining 10% covers the SETAs' administration costs[672].

Where money is not claimed through grants, usually from larger organisations, any surplus is used to promote development programmes for under-represented groups[673].

Post-school vocational education and training at NQF levels 2-4 is delivered through FET colleges and funded by the Department for Education. These courses must be paid for by the learners directly or the relevant employer, however. For employers paying the SETA levy, this can be reclaimed.

666 http://opentraining.unesco-ci.org/tools/pdf/otpitem.php?id=237

667 http://www.hsrcpress.ac.za/downloadpdf.php?pdffile=files%2FPDF%2F2078%2F2078_00_Vocational_Education_Training%7E25042005015631PM.pdf&downloadfilename=Vocational%20Education%20and%20Training%20in%20Southern%20Africa%20-%20Vocational%20Education%20and%20Training%20in%20Southern%20Africa%20-%20Entire%20eBook

668 http://www.ajol.info/index.php/saje/article/viewFile/44138/27653

669 http://www.hsrcpress.ac.za/downloadpdf.php?pdffile=files%2FPDF%2F2078%2F2078_00_Vocational_Education_Training%7E25042005015631PM.pdf&downloadfilename=Vocational%20Education%20and%20Training%20in%20Southern%20Africa%20-%20Vocational%20Education%20and%20Training%20in%20Southern%20Africa%20-%20Entire%20eBook

670 http://www.nqf.org.za/page/faq/saqa/354278-How-are-Short-Courses-related-to-Skills-Programmes

671 https://lra.le.ac.uk/bitstream/2381/530/1/SungRaddonAshtonSectoralSkills%5b2%5d.pdf

672 Ibid.

673 Ibid.

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A6.4 Qualifications and Certification

The National Qualifications Framework has 10 levels of competency-based qualifications, organised in ascending order and described by level descriptors[674]. At present, the majority of qualifications are designed by SETAs and accredited by either the Department of Education or the Council on Higher Education (university-level qualifications). Qualifications can also be submitted and registered by private and international providers.

The NQF is described as *'an integrated system which comprises three coordinated qualifications sub-frameworks'* including General and Further Education and Training, Higher Education, and Trades and Occupations[675]. It consists of three bands of qualifications: general training and education (level 1), further education and training (levels 2-4), and higher education and training (levels 4-8)[676].

Table A6.4 Major Vocational Qualifications in South Africa[677]

Qualification Type	Description
Level 1	General education and training; includes National Certificates and ABET Level 4. Is equivalent to Grade 9 in secondary schooling.
Levels 2-4	Further education and training; National Certificates.
Level 5	Higher Certificate.
Level 6	Advanced Certificate, Diploma.
Level 7	Advanced Diploma, Bachelor Degree.
Level 8	Bachelor Honours, Postgraduate Diploma.
Level 9	Masters Degree.
Level 10	Doctoral Degree.

A6.5 Quality Assurance

A6.5.1 Quality Assurance of Qualifications

The South African Qualifications Authority (SAQA) is responsible for overseeing the implementation and maintenance of the National Qualifications Framework. SAQA does not play an active role in quality assurance in that it must submit to the recommendations of the appropriate Quality Council (see below) if those recommendations meet its criteria, but it does set the policy and criteria upon which those decisions are based[678].

The National Qualifications Framework Act (2008, amended in 2010) notes that Quality Councils are responsible for[679]:

- Developing and managing its sub-framework within the NQF.
- Establishing and maintaining current level descriptors.
- Developing and implement policies and criteria for the development and registration of qualifications.
- Developing and implement policies and criteria for assessment, recognition of prior learning and credit transfer.
- Ensuring that qualifications are developed as required for the sector; this may include the design of measures for assessing learning achievements.
- Developing and implementing general quality assurance mechanisms within their sub-sector.

Until the new Quality Council for Trades and Occupations takes over its remit, SETAs, via their ETQA functions, assess and determine the quality of qualifications according to the standards set by the National Qualifications Framework. Standards Generating Bodies (SGBs) currently sit within SAQA; they were originally established as stakeholder groups with expertise to help develop national qualifications. This function will be taken over by the QCTO[680].

Qualifications are accredited and placed on the NQF according to the level under which they fall: levels 1-4 are accredited by the Department of Education and levels 5-10 are accredited by the Council for Higher Education. There are currently four layers of quality assurance involved in the moderation of assessment:

674 http://www.saqa.org.za/docs/legislation/acts/2010/act67.pdf
675 Ibid.
676 http://www.saqa.org.za/show.asp?include=focus/ld.htm
677 http://www.milpark.ac.za/uploads/web/public/New_NQF_Levels.pdf
678 http://www.saqa.org.za/show.asp?include=about/faq.htm
679 http://www.saqa.org.za/docs/legislation/acts/2010/act67.pdf
680 http://www.saqa.org.za/show.asp?include=about/faq.htm

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- National Standards Bodies submit qualifications with moderation options.
- ETQAs establish moderation systems for accredited providers.
- Providers establish internal moderation systems which conform to ETQA guidelines.
- SAQA appoints moderating bodies to ensure consistency.

Umalusi is the Quality Council responsible for general and further education and training; the Council on Higher Education is responsible for higher education[681].

A6.5.2 Quality Assurance of Education and Training Provision

Under the proposed changes with the introduction of the QCTO, SETAs and ETQAs will retain quality control of assessment and provision for further education and technical colleges. ETQAs are responsible for accrediting providers, assessing quality and providing certification.

SAQA has overall quality assurance responsibility for accrediting providers, as established in the SAQA Act 1995. It is responsible for NQF qualification delivery, however, and as such is not concerned with non-NQF training providers[682]. ETQAs are responsible for providing the front-line external quality assurance processes[683].

As defined by the SAQA Act 1998, ETQAs[684]:

- Monitor and audit achievements in terms of national standards and qualifications;
- Accredit providers for standards and qualifications registered on the NQF;
- Promote quality amongst providers; and
- Monitor provision amongst training providers.

The Council for Higher Education is also responsible for assessing the quality of institutions delivering higher education qualifications[685].

QCTO will also be responsible for quality assuring learner achievements; it will use 'quality partners' (statutory and non-statutory professional bodies, occupational associations and SETAs) relevant to each group of occupational standards. It will also reportedly appoint national moderating bodies[686].

A6.6 Key Stakeholders

Table A6.6.1 Policy Makers & Non-Regulatory Policy Bodies

Organisation	Remit
Department of Labour	Aims to reduce unemployment, poverty and inequality through skills development and employment creation, among other initiatives.
Department of Trade & Industry	Strategic objectives include promoting the co-ordinated implementation of the accelerated and shared growth initiative, and promoting direct investment and growth in the industrial and services economy, with a particular focus on employment creation.
Department of Higher Education & Training	Includes post-school education and training, universities and co-ordination of the Human Resources Development Strategy.

681 http://www.saqa.org.za/docs/legislation/acts/2010/act67.pdf
682 http://www.saqa.org.za/docs/critguide/smme/smme02.pdf
683 http://www.saqa.org.za/docs/critguide/smme/smme03.pdf
684 http://www.saqa.org.za/docs/critguide/smme/smme02.pdf
685 http://www.che.ac.za/
686 http://www.nqf.org.za/page/faq/353741-How-will-the-QCTO-quality-assure-learner-achievements

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Table A6.6.2 Regulators

Organisation	Remit
South African Qualifications Authority	Oversees the National Qualifications Framework, registers qualifications and part-qualifications, and develops policy and criteria for qualifications, assessment, recognition of prior learning and credit accumulation and transfer.
Umalusi	Sets and monitors standards for general and further education and training. Its functions include evaluating qualifications and curricula, moderating assessment, accrediting educational and assessment providers, and certifying learner attainments. It also accredits private providers of education and training and private assessment bodies. This includes private Further Education and Training (FET) colleges, private adult education and training providers, and private assessment bodies that assess the qualifications certified by Umalusi. Some of these roles, currently outlined on Umalusi's website, may have been superseded by the new Quality Council for Trades and Occupations.
Council on Higher Education	Advises Ministry of Higher Education on education policy issues. Responsible for quality assurance in higher education and training.
Quality Council for Trades and Occupations	Launched in February 2010 to manage and co-ordinate qualifications in the occupational qualifications framework in relation to their development, provision, assessment and impact.
National Standards Generating Bodies	Organisations registered by SAQA and responsible for setting standards relevant to specific occupations; these standards form qualifications that are placed on the NQF.

Table A6.6.3 Influencers

Organisation	Remit
National Skills Authority	Functions include advising Labour Minister on national skills development policy and strategy, guidelines on implementation and liaising with SETAs. Consists of representatives of business, government, community organisations, and education and training providers.
National Economic Development and Labour Council	Aims to promote economic decision-making for the purpose of growth and social equity; enables dialogue between business, labour and community groups.

Appendices

Appendix 7. Stakeholder Involvement in Indian Sector Bodies

Table A7.1 Industry & Other Non-Policy Organisations

Organisation	Involvement
ACMA	One of three lead organisations for the Automotive Skills Development Council[687].
Animation, Gaming and VFX Forum	One of five lead organisations for the proposed Film, Media, Broadcasting and Animation Skills Council[688].
ASSOCHAM	Owns a stake in NSDC[689].
CAPSI	Lead organisation for the Security Knowledge and Skills Development Council[690].
CII	The CII has been asked by India's Finance Minister to set up SSCs in between five to 10 sectors, including manufacturing, healthcare and mining[691]. Also owns a stake in NSDC[692].
Confederation of Indian Textile Industry	Owns a stake in NSDC[693].
Council for Leather Exports	Owns a stake in NSDC[694].
CREDAI	Owns a stake in NSDC[695]. CREDAI and its members have been encouraged to set up a Construction Sector Skills Council[696].
Ernst & Young	Organised a seminar in conjunction with NSDC to gather industry and stakeholder feedback on a suitable Labour Market Information System for India[697].
FADA	One of three lead organisations for the Automotive Skills Development Council[698].
FICCI	Consortium lead for the proposed Film, Media, Broadcasting and Animation Skills Council[699]. Also owns a stake in NSDC[700].
Film and TV Producers' Guild	One of five lead organisations for the proposed Film, Media, Broadcasting and Animation Skills Council[701].
Future Group	In discussions with NSDC about establishing a Retail Sector Skills Council[702].
IDFC	Financing the development of SSCs for Infrastructure and Construction[703] .
Indian Outdoor Advertisers	One of five lead organisations for the proposed Film, Media, Broadcasting and Animation Skills Council[704].
Indian Broadcasting Association	One of five lead organisations for the proposed Film, Media, Broadcasting and Animation Skills Council[705].

687 http://www.nsdcindia.org/pdf/sector-skill-councils.pdf
688 Ibid.
689 http://www.nsdcindia.org/pdf/iisd-release.pdf
690 http://www.nsdcindia.org/pdf/sector-skill-councils.pdf
691 http://www.nsdcindia.org/pdf/pranab-urges-cii.pdf
692 http://www.nsdcindia.org/pdf/iisd-release.pdf
693 Ibid.
694 Ibid.
695 Ibid.
696 http://www.nsdcindia.org/pdf/pib-pressrelease.pdf
697 http://www.nsdcindia.org/pdf/skill-matter-jun11.pdf
698 http://www.nsdcindia.org/pdf/sector-skill-councils.pdf
799 Ibid.
700 http://www.nsdcindia.org/pdf/iisd-release.pdf
701 http://www.nsdcindia.org/pdf/sector-skill-councils.pdf
702 http://www.nsdcindia.org/pdf/nsdc-five-sector-skills.pdf
703 http://www.pipaltreeventures.com/NewsEvent/NSDCNews.pdf
704 http://www.nsdcindia.org/pdf/sector-skill-councils.pdf
705 Ibid.

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Organisation	Involvement
Indian Wind Energy Society	One of six lead organisations for the Indian Energy Skill Development Council[706].
NASSCOM	Has submitted a proposal to NSDC to set up a Sector Skills Council in IT, ITeS and BPO[707]. Also owns a stake in NSDC[708].
NDPL	One of six lead organisations for the Indian Energy Skill Development Council [709].
Petrotech	One of six lead organisations for the Indian Energy Skill Development Council [710].
PowerGrid Corporation	One of six lead organisations for the Indian Energy Skill Development Council[711] .
Retailers Association of India	Lead organisation for the Retailers Association Skills Council of India [712].
SIAM	One of three lead organisations for the Automotive Skills Development Council[713]. Owns a stake in NSDC[714] .
University of Petroleum & Energy Studies	One of six lead organisations for the Indian Energy Skill Development Council[715] .
World Energy Forum (India)	One of six lead organisations for the Indian Energy Skill Development Council[716].

Table A7.2 International Organisations

Organisation	Involvement
Australian Industry Skills Councils	Service Skills Australia presented to FICCI's 2010 Global Skills Summit on Australian Industry Skills Councils in the session on *Sector Skills Councils: Structure, Role and Relevance*[717]. Meetings have also been held with NSDC officials to discuss the Australian ISC model[718]. The Australian Retail College has been working with Indian policy makers and the Indian retail industry since 2008 to get the Australian Retail Training Package introduced in India. It has recommended that Service Skills Australia work with Indian stakeholders to help develop the Indian Retail Sector Skills Council[719].
German Sector Bodies	Meetings have been held with NSDC officials to discuss the German approach to sectoral skills development[720].
GTZ	GTZ has been involved in skills development in India for over 40 years; in early 2011 it became known as GIZ. It is not noted officially as being involved in the development of sector bodies.

706 Ibid.

707 http://www.nsdcindia.org/pdf/skill-matter.pdf

708 http://www.nsdcindia.org/pdf/iisd-release.pdf

709 http://www.nsdcindia.org/pdf/sector-skill-councils.pdf

710 Ibid.

711 Ibid.

712 Ibid.

713 Ibid.

714 http://www.nsdcindia.org/pdf/iisd-release.pdf

715 http://www.nsdcindia.org/pdf/sector-skill-councils.pdf

716 Ibid.

717 http://www.ficciskillforum.org/skill-event/presentations.html

718 http://siteresources.worldbank.org/EDUCATION/Resources/278200-1121703274255/1439264-1242337549970/6124382-1291074275592/03-National_Skill_Development_Corporation.pdf

719 http://www.unevoc.unesco.org/e-forum/Growing_a_Retail_Workforce.pdf

720 http://siteresources.worldbank.org/EDUCATION/Resources/278200-1121703274255/1439264-1242337549970/6124382-1291074275592/03-National_Skill_Development_Corporation.pdf

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Organisation	Involvement
ILO	The ILO has advised NSDC on international best practices in the development of sector bodies[721].
International Network of Sector Skills Organisations	INSSO has advised NSDC on international best practices in the development of sector bodies[722].
JETCO (Indo-UK Joint Economic & Trade Commission)	In 2010, India and the UK reached an agreement to work together on vocational education and training issues, including the development of Sector Skills Councils based on the UK model[723].
New Zealand Industry Training Organisations	Meetings have been held with NSDC to discuss the New Zealand ITO model[724].
Sector Skills Councils/ UKCES, UK	UKCES and Improve presented to FICCI's 2010 Global Skills Summit on UK SSCs' overall approach, using Improve as a case study, in the session on *Sector Skills Councils: Structure, Role and Relevance*[725]. Meetings have also been held with NSDC officials to discuss the UK SSC model[726].
UKIERI	UKIERI currently has a call out for proposals *'that will contribute to the development of key infrastructure elements in the area of skills development and capacity building, with a particular focus on strengthening sector skills bodies and their engagement with industry/business and establishing key occupational standards, and qualifications that will ensure those gaining qualifications are equipped with the skills needed by modern business'*[727].
World Bank	The World Bank is advising NSDC on the process of setting up Sector Skills Councils[728].

721 Ibid.

722 Ibid.

723 http://hcilondon.in/pressview.php?category_id=98

724 http://siteresources.worldbank.org/EDUCATION/Resources/278200-1121703274255/1439264-1242337549970/6124382-1291074275592/03-National_Skill_Development_Corporation.pdf

725 http://www.ficciskillforum.org/skill-event/presentations.html

726 http://siteresources.worldbank.org/EDUCATION/Resources/278200-1121703274255/1439264-1242337549970/6124382-1291074275592/03-National_Skill_Development_Corporation.pdf

727 http://www.ukieri.org/general_instruction_ukieri.html

728 http://www.nsdcindia.org/pdf/ima-paper.pdf

Appendices

Appendix 8. Proposed Sector Details, India (2009)

Table A8.1 Proposed Manufacturing Sector Skills Councils as of 2009, Related Bodies & Qualifications (Planning Commission, 2009) [729]

Sector Skills Council & National Industry Data	Industry Association	Certification Body	Qualifications/Training
Agriculture* 2009 turnover: Rs.22,300 crore. 2016 turnover: Rs.170,000 crore. 2009 employment: 93,031 2016 employment: 104,929 *Note that a specific definition of agriculture is being used, relating to agricultural manufacturing (or else incorrect figures); agriculture in its broader context is thought to employ more than 50% of the workforce[730].		Indian Council of Agricultural Research	BSc/BTech/BFSc in: • Agriculture • Horticulture • Agricultural Engineering • Food Science • Fisheries Science Training requirements: • 12th Science
Architecture, Building and Construction	Builders' Association of India	Council of Architecture National Institute of Construction Management and Research	• BE Civil Engineering • PG Programme in Project Engineering & Management • PG Programme in Real Estate & Urban Infrastructure Management • Construction Project Management • Building Maintenance Management • Construction Safety Management • Highway Project Management • Oil & Gas Pipelines Project Management • Construction Contracts Management

729 PG = Post Graduate.

730 http://business.gov.in/agriculture/agriculture.php

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Sector Skills Council & National Industry Data	Industry Association	Certification Body	Qualifications/Training
Automobile & Auto Components 2009 turnover: Rs.210,000 crore. 2016 turnover: Rs.650.000 crore. 2009 employment: 10.5 m. 2016 employment: 25.0 m. 90% skilled manpower requirement.	Society of Indian Automobile Manufacturers Automobile Component Manufacturers' Association	AICTE (All India Council of Technical Education)	BE, BTech & MTech in: • Mechanics • Automobile • Electronics • Infotronics • Mechatronics Training requirements: • Manufacturing Management • SQC • TQM • 6-Sigma • Statistical Process Control • Kaizen Practices • Lean Manufacturing & Breakthrough Management • Computer Aided Design • Computer Aided Manufacturing
Building Hardware and Construction/ Materials	Builders' Association of India		• PG Diploma in Building Technology • PG Diploma in Construction Project Management • Building Sciences • BE/BTech Construction • BE Civil Engineering
Chemicals, Pharmaceuticals and Homeopathy 2009 turnover: Rs.290,000 crore. 2016 turnover: Rs.750,000 crore. 2009 employment: 588,275 2016 employment: 711,990	Indian Pharmaceutical Association	Pharmacy Council of India Indian Homeopathy Medical Association	• BE, BTech in Chemical Engineering • M Tech in Chemical Engineering • BPharm
Cottage Industries, Handlooms and Handicrafts		State owned bodies National Council for Vocational Training	• Diploma in Handloom Technology • Diploma in Apparel Manufacturing Technology

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Sector Skills Council & National Industry Data	Industry Association	Certification Body	Qualifications/Training
Electronics Hardware 2009 turnover: Rs.130,000 crore. 2016 turnover: Rs.1.4m crore. 2009 employment: 1.5 m. direct & 3.0 m. indirect 2016 employment: 7.1 m. direct & 14.0 m. indirect Requirements: • 5% graduate engineers • 15% diploma holders • 50% skilled workers • 30% semiskilled workers	Electronics Industry Association India	AICTE	BE, BTech & MTech in Electronics Training requirements: • Chip manufacturing • Embedded software • VLSL design • Assembly line operations
Food Processing, Cold Chain and Refrigeration 2011 turnover: Rs.300,000 crore. 2011 employment: 13 m. direct and 35 m. indirect[731].	India Chapter of the Global Cold Chain Alliance	Central Food Technological Research Institute	• MSc Food Technology Training requirements: • Engineering • Statistics and Applied Mathematics • Packaging Technology
Furniture and Furnishings 2009 turnover: Rs.66,900 crore. 2016 turnover: Rs.320,000 crore. 2009 employment: 182,521 2016 employment: 436,650		National Council for Vocational Training	• Graduate Diploma in Industrial Design • Graduate Diploma in Textile and Apparel Design • Graduate Diploma in Furniture and Interior Design
Gem and Jewellery 2009 turnover: Rs.71,400 crore. 2016 turnover: Rs.180,000 crore.	Gem & Jewellery Exporters Association	Gemological Institute of India	• Diploma in Gemology • Diploma in Diamond Grading • Diploma in Jewellery Designing • Gem Identification Certificate • Diamond Grading Certificate • Certificate Course in Cut Designing and Analysis
Leather and Leather Goods 2009 turnover: Rs.17,800 crore. 2016 turnover: Rs.40,200 crore. 2009 employment: 160,529 2016 employment: 230,141	Indian Leather Products Association	Central Leather Research Institute National Council for Vocational Training	• Diploma in Leather Goods • Diploma in Leather Garments • Diploma in Leather Footwear • PG Diploma in Leather Processing Training requirements: • Chemistry • Leather Processing

731 Figures for Food Processing were taken from http://www.indiainbusiness.nic.in/industry-infrastructure/industrial-sectors/food-process.htm as the Planning Commission report did not appear to use the correct figures (2009 turnover was stated as US$5.5 million (Rs.245 billion).

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Sector Skills Council & National Industry Data	Industry Association	Certification Body	Qualifications/Training
Machine Manufacture 2009 turnover: Rs.130,000 crore. 2016 turnover: Rs.590,000 crore. 2009 employment: 344,745 2016 employment: 487,309			• BE Mechanics
Textiles, Apparel and Garments 2009 turnover: Rs.210,000 crore. 2016 turnover: Rs.510,000 crore. 2009 employment: 35 m. 2016 employment: 41.5 m. 6.5m. additional employees will comprise of: • 10% management & technical graduates • 20% ITI certificate holders • 50% semiskilled workers • 20% unskilled workers	Textiles Association (India) South India Textile Research Association North India Textile Research Association	National Institute of Fashion Technology	Bachelor programmes in Design: • Fashion Design • Leather Design • Accessory Design • Textile Design • Knitwear Design • Fashion Communication Bachelor programme in Technology: • Apparel Production Master: • Design • Fashion Management • Fashion Technology Training requirements are not available.

Table A8.2 Proposed Services Sector Skills Councils as of 2009, Related Bodies & Qualifications (Planning Commission, 2009)[732]

Sector Skills Council	Industry Association	Certification Body	Qualifications/Training
Animation and Gaming Animation 2009 turnover: Rs.2,050 crore. 2012 turnover: Rs.5,350 crore. 2009 employment: 20,789 2010 employment: 30,000 Gaming 2009 turnover: Rs.950 crore. 2012 turnover: Rs.4,900 crore. 2009 employment: 6,400 2010 employment: 13,100	NASSCOM FICCI CII	Board of Animation and Gaming Standards	BA and Diplomas: • 2D Animation • 3D Animation • Game Design • Game Programming Training requirements: • Animators • Rigging • Texturing • Script Writing • Modelling • Storyboarding • Animatics • Engineering • C, C++ Programming

732 PG = Post Graduate

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Sector Skills Council	Industry Association	Certification Body	Qualifications/Training
Banking, Financial Services and Insurance 2007 insurance turnover: Rs.180,000 crore. 2004 retail finance turnover: Rs.120,000 crore. 2010 retail finance turnover: Rs330,000 core. 2010 banking assets: Rs.4.5 million crore.	Indian Banks Association Securities Exchange Board of India National Commodities Exchange	National Accreditation & Assessment Council University Grants Commission Indian Institute of Banking and Finance	• BCom • Diploma in Treasury, Investment & Risk Management • Diploma in International Banking & Finance • Diploma in Banking Technology • Diploma for Micro Finance Professionals • Diploma in Commodity Derivatives for Bankers • PG Diploma in Financial Advising • Diploma in Home Loan Advising • Advanced Diploma in Urban Co-operative Banking Training requirements: • Banking Sub Domains • Life Insurance • General Insurance • Health Insurance • Finance and Accounting Sub Domains • Communication Skills
Educational and Skill Development Services and Teacher Training 2007 turnover: Rs.220,000 crore.		National Council of Teacher Education National Council for Vocational Training University Grants Commission National Accreditation & Assessment Council AICTE	• BEd • MEd • All UG, PG and PhD Training requirements: • Teaching Methodology • Outcomes Based Teaching Learning Process • Linking Education to Employment • Soft Skills and Professional Skills • Use of ICT for Teaching
Entrepreneurship, Intellectual Property Rights and Research and Development			

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Sector Skills Council	Industry Association	Certification Body	Qualifications/Training
Information Technology Services or Software Services/Products 2009 turnover: Rs.270,000 crore. 2020 turnover: Rs.1m crore. 2009 employment: 2.2 m. direct & 8 m. indirect 2020 employment: 10-13.5 m. direct	NASSCOM	AICTE University Grants Commission National Accreditation & Assessment Council	• BE • BTech • BCA • MCA • MTech Training requirements: • Application Development • Application Maintenance • Product Support • Application Testing • Data Analytics & Processing • Infrastructure Management • Business Process Management • Enterprise Content Management • Communication Skills • Project Management Skills
IT Enabled Services/Business Process Outsourcing/Knowledge Process Outsourcing See under Information Technology Services	NASSCOM	National Accreditation & Assessment Council AICTE University Grants Commission	• BCom • BE • BTech • BSc Training requirements: • Communication Skills • Soft Skills • HR Processes • Supply Chain Management • Medical Transcription • Call Centre Operations
Legal Affairs 2008 turnover: Rs.210 crore. 2012 turnover: Rs.920 crore. (Note that the 2008 figure seems low and therefore may not be accurate).		Bar Council of India	• Bachelor of Law • LLB • LLM
Management, Hotel Management and Company Secretaries		Chartered Accountants of India Institute of Costs Works Accounts of India Institute of Company Secretaries of India	• BBA • MBA • BCom • MCom • Chartered Accountant • Company Secretary • Degree/Diploma in Hotel Management

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Sector Skills Council	Industry Association	Certification Body	Qualifications/Training
Media, Entertainment, Broadcasting and Content Creation Media and Entertainment 2013 turnover: Rs.89,690 crore.	FICCI CII	University Grants Commission National Council for Vocational Training	• BA in Mass Communication • BA in Broadcasting • BA in Journalism
Medical, Dental, Nursing and Healthcare Services 2009 turnover: Rs.180,000 crore. 2013 turnover: Rs.360,000 crore.	Indian Medical Council Indian Dental Council Association of Surgeons of India	Medical Council of India Dental Council of India Indian Nursing Council Rehabilitation Council of India Indian Academy of Paediatrics	• MBBS • MD • Diploma in Nursing
Organised Retail 2009 turnover: Rs.2.3m crore. 2013 turnover: Rs.3.7m crore 2018 turnover: Rs.5.5m crore. 2009 employment: 40 m. 2016 employment: 44 m.	Retailers Association of India	University Grants Commission National Council for Vocational Training	• PG Programme in Retail Management • BCom • BSc • BA
Real Estate Services 2009 turnover: Rs.210,000 crore.	Confederation of Real Estate Developers' Associations of India	National Council for Vocational Training	• BCom • MBA • VET
Telecom 2009 turnover: Rs.44,600 crore. 2016 turnover: Rs.120,000 crore. 2009 employment: 1 m. 2016 employment: 2 m.	Telecom Regulatory Authority of India Cellular Authority of India	Institute of Telecom and Communication Engineers Advanced Learning & Training, Ghaziabad	• Diploma in Telecom • BE in Telecom • MBA in Telecom • Advanced Technical Course Training requirements: • Certificate in Telecom Sales • Certificate in Telecom Customer Service • Certificate in Installation and Fault Repair • Certificate in Tower Maintenance
Transportation, Logistics, Warehousing and Packaging 2007 turnover: Rs.400,000 crore. 2010 turnover: Rs.560,000 crore.	Association of Specialised Logistics in India		Diploma/degree courses in: • Logistics Management • Material Management

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