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SECTOR SKILLS COUNCILS FOR AFRICA: A COMPARATIVE OVERVIEW

By Christopher Wilson

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School of Business and Management Studies

Homepage: www.mmu.ac.ug; Email and Tel (Administrative Assistant): Karugabadeo@gmail.com, +256 773 352340
Lake Saaka Main Campus, P. O. Box 837, Fort Portal, Uganda



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Executive Summary

Sector Skills Councils (SSC) are an approach at generating sector-level coordination among the members of employer groups, and between those groups and higher education institutions. As part of this coordination, joint efforts to establish National Occupational Standards or “Quality Frameworks” aim to set common standards across sector skill sets. Their combined purpose is thus to coordinate and integrate the staffing needs of industry, and the training and supply of prospective employees, against a backdrop of improved labour market intelligence and a developed and trusted network of training providers.

Building vocational skills has become an important field of development cooperation between low-income-countries and in particular European development agencies. In Uganda, 'business vocational technical education and training (BVTET)' has recently re-emerged as a strategic pillar of the development plan to 2040. The Government of Uganda has agreed a 10-year-programme 'Skilling Uganda (2012-2021)' with the World Bank, which will inject funding of USD 100 million (Lukwago 2014). The Skilling Uganda strategy aims to transform the BTVET system from an educational subsector into a comprehensive system of skills development for employment, enhanced productivity and growth (World Bank 2015).

This paper offers an overview of the structure and performance of SSCs across Africa as well as in some other countries, as possible sources of insight into effective implementation of the Skilling Uganda programme.

The Author

Christopher Wilson (synapservicesltd@gmail.com) is a Uganda-based business manager and consultant. He has a MA degree from Oxford University and is a graduate of the Institute of Chartered Secretaries and Administrators of the United Kingdom. He has professional experience in the design and delivery of training courses. He is currently assisting Mountains of the Moon University, Fort Portal, in setting up a Core Employment Skills course of instruction.

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List of Acronyms and Abbreviation

ADB	Asian Development Bank
BVET	Business vocational technical education and training
MMU	Mountains of the Moon University
SSC	Sector Skills Council
SBMS	School of Business and Management Studies

1 Introduction

This paper examines the development of Sector Skills Councils and similar organisations in Africa. It also make reference to the status of such organisations and their mandates in other jurisdictions. It draws on publicly available sources.

In Africa national employability skills development programmes can be grouped under two broad categories: those mandating formal Sector Skills Councils (SSCs) or equivalents, and those without. While this review focuses on the former, lessons can be drawn from examination of both, and from experience and practice outside Africa. This paper is organised accordingly.

2 SSCs – a functional overview¹

“SSCs are where industry meets education”. More specifically Sector Skills Councils promote skills development in a given economic sector. They are permanent working structures set up to identify or analyse skill needs, or to otherwise contribute to education and training that will prepare the work force for the specific economic sector.

These general definitions cover a range of implementations, but in general they share the following features:

- representation of one or more specific sector of the economy
- provision of a platform for at least two types of stakeholder
- working in a structured and continuous way
- provision of analysis on labour market trends in the sector
- a focus on anticipating employment (quantitative) and skills (qualitative) needs within the sector, using this insight to inform the development of sectoral policies

Local variations may be more concise: the Welsh Assembly specifies three functions: employer engagement, LMI (labour market intelligence) and informing qualifications².

¹ Lempinen (2013).



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Other variations may address SSC functionality from a different perspective. Under the EU the role of VET systems is prioritised: under the Erasmus³ funding programme Sector Skills Alliances (sic) will “tackle skills gaps, and enhance the responsiveness of VET systems to sector-specific labour market needs through:

- modernising VET by adapting to skills needs and integrating work based learning and exploiting its potential to drive economic development and innovation, notably at local and regional levels, increasing the competitiveness of the sectors concerned;
- strengthening the exchange of knowledge and practice between vocational education and training institutions and the labour market integrating work-based learning;
- facilitating labour mobility, mutual trust and increased recognition of qualifications at European level within the sectors concerned”.

SSC operations are generally based on a comprehensive approach comprising four strands that are linked i.e. cannot stand alone but can be sequenced.

- Licensing based on an officially acceptable business or operating plan
- Employer involvement throughout the sequence of education design and delivery
- Competence based training in quantitative and qualitative (technical and generic) skills at all levels up to Masters
- National Qualification Frameworks, sometimes integrated with regional frameworks

Certain common pre-conditions for ready implementation have been identified : articulate employers; funding for education and training; long term planning and support for training and instruction design and institutions; strong institutions - labour (unions), professional bodies (employer organisations and trade/professional associations); and labour market research. The existence of these will help determine the rate of operationalization of SSCs. Where they are absent the need for a more deliberate and structured process must be accepted. Uganda will fall into this latter category.

It is important to note the existence of cross-sectoral or transversal skills councils. These may be defined by skills relevant to other sectors such as management or IT, or by geography, and are described in more detail under “European Union” later in this review.

On a separate note, international experience and support are available, including defining best practice and road maps to establishing and operationalising SSCs. These include INSSO, European Training Foundation, and several National Qualification Authorities.

² N. A. (2008).

³ Erasmus (2015).



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3 Sub-Sahara-African countries⁴

The following analysis of Sub-Sahara-African skills development systems attempts, by illustrating their differences from Uganda's planned policy, to provide pointers towards the implementation thereof.

3.1 "SSC Countries"

Botswana

Like Uganda Botswana is at an early stage in implementing its employment skills development plans. The local equivalent of the RTF/SDA is the Human Resource Development Council which:

- Provides policy advice to the Minister of Education and Skills Development on human resource development;
- Formulates the national Human Resource Development plan;
- Provides advice on management, planning and financing with specific reference to
 - 1) internship
 - 2) apprenticeship
 - 3) workplace learning
 - 4) reimbursing employers who have incurred training costs for apprentices or trainees;
- Manages funds for public Tertiary Education Institutes (TEIs) and student sponsorships;
- Promotes workplace learning

The key role of the HRDC is to turn around Botswana's education and training system from a supply-led into a demand-driven system. The central tool and the equivalent of Uganda's SSCs are the Sector HRD Committees, which serve to define the skills requirement for each sector and advise training institutions to respond accordingly.

So far, HRDC has established seven sectors, namely Agriculture, Creative Industries, Finance and Business Services, Health, Information and Communication and Technology, Mining, Minerals Energy and Water Resources and Tourism. These Sector HRD Committees are now working on their individual HRD skills plans. It is unclear how the HRDC, Committees and third party providers interact in terms of skills definition and delivery and funding arrangements.

South Africa

South Africa has a relatively mature skills development policy and system. These operate through Sector Education and Training Authorities (SETAs) under a Skills Development Act. Each SETA coordinates skills

⁴ Chapter 3 and 4 are based primarily on internet-research of official websites. All websites used for the country data are listed in the reference section 5.1.



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development in its particular sector. To this end the economy has been divided into 23 sectors, each of which has its own SETA. A sector is made up of economic activities that are linked and related.

Broadly SETAs develop sector skills plans and promote apprenticeships. Membership is limited to representatives of:

- trade unions;
- employers' organisations
- relevant government departments
- interested professional bodies
- bargaining councils in the sector

SETAs receive finance from:

- Skills Development Levies paid by employers and collected by SETAs
- the National Skills Fund (itself funded from Skills Development Levies) through funding windows managed by the Department of Labour
- ad hoc grants and donations, investment income and services charged for

Rwanda

Rwanda has given its Sector Skills Councils (SSCs) a large challenge: creating an adequate skills base in Rwanda to meet local, regional and international demands by 2020. SSCs operate as autonomous bodies. They have responsibilities of skills and workforce development of all those employed in their sectors including professional staff, and over all sizes of employer - from large firms to micro-businesses and the self-employed. They bring together all the stakeholders – Industry, labour and the Training providers, including all Higher Institutions of Learning, Technical and Vocational Education Training Centres (TVET), including universities, Colleges, Integrated Polytechnic Regional Centres (IPRC), and other accredited institutions. Sector skills councils are largely employer led and the aim is to meet sector specific skills needs for growth, as they

- 1) Lead the drive to boost sector skills and workforce development
- 2) Share labour market intelligence
- 3) Influence planning and funding of education and training across Rwanda
- 4) Forge linkages between employers and training providers
- 5) Influence decisions of young people to join the workforce
- 6) Share best practice on skill development and investment in capacity building

SSCs are directed, coordinated, regulated and supported by the Rwanda Development Board's Human Capital and Institutional Development (HCID). This has a very active coordinating role at the policy, legal, licensing and operational support levels. Indeed the acknowledged success of Rwanda's employment policies is demonstrably linked to the efficiency of this sector coordination (Schmidt 2015).

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This high level engagement will be central to Uganda's success in rolling out its own network will be against completing claims for attention, particularly in its early days, from pressing political events.

3.2 “Non-SSC countries”

Ghana

The Government of Ghana established the Council for Technical and Vocational Education and Training in 2008 with a very broad mandate: to 'coordinate and oversee all aspects of technical and vocational education and training in the country', and importantly to 'source funding to support technical and vocational education and training (TVET) activities'.

A Skills Development Fund (SDF) has been set up to provide some focus to the mandate. The SDF is designed to support life-long learning in TVET. It will do this “through the provision of quality-oriented, industry-focused, and competency-based training programmes and complementary services”.

Currently, the SDF has been set up as a pilot project funded by government and development partners, including the World Bank and DANIDA. It allows COTVET to monitor, evaluate and develop a model for the expansion of the SDF to cover the competitiveness of crucial sectors of the economy. Its early stage model seems to be follow a different pattern which merit special analysis: having identified the broad challenge of skills shortages, it focuses first on the funding issue as a pre-determinant to defining the operational response.

The SDF is a challenge fund providing a demand-driven response to skills challenges encountered by both the formal and informal sectors. Significantly it focuses on in-work training of employees in the formal and informal sectors rather than on developing pre-employment initiatives (though it does include Industrial attachment for students in training).

As the Government's principal instrument for providing financial support to skills and technology innovation, it will support appropriate proposals in selected sectors under four funding windows, through which grants are disbursed against periodic calls and variable matching funds as follows:

- 1) Formal sector enterprises
- 2) Informal sector enterprises/SMEs
- 3) Training innovation
- 4) Technology Partnerships and Centres

There is no mention of formal partnering arrangements along SSC lines, beyond a reference within a much broader catalytic role than other national models: it will support partnerships between science and technology providers and industry, targeting productivity improvements, product diversification, and growth through technology development or organisational innovations. The role of training institutions is noticeable by its absence.



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The COTVET Board will decide on sectors, industries, value chain target groups, etc., that should be given high priority in funding⁵.

Grant criteria are stated in general terms: the relevance, realism and sustainability of the planned outcomes and partnerships. The beneficiaries may include micro, small, medium and large enterprises, labour unions and trade associations, and all secondary and tertiary public and private training institutions. Approximately USD 10 million per year is disbursed.

Kenya

The National Industrial Training authority [NITA] is mandated to promote of the highest standards in the quality and efficiency of Industrial Training in Kenya, and to ensure an adequate supply of properly trained manpower at all levels in industry. However despite these twin mandates its implementation has resonances with out-dated programmes set up simply to regulate apprentices and “indentured learners” in industry. Its stated responsibilities are:

- Management and Supervisory training
- Apprenticeship Training
- Craft, Technician (Skill-Upgrading), Indentured learners
- National Industrial Attachment Programmes
- Curriculum development
- Trade testing and certification
- Inspection of training providers
- Administration of Industrial Training Levy Fund
- Administration of the five Industrial Training Centres

The industrial Training Levy Fund, to which every eligible employer is required to contribute, is used to support, in full or part of the cost of training incurred by the contributing employer. Training is provided at craft level at five regional Industrial Training Centres, or by Registered Training Providers (106 nationwide). Subject to approval by NITA, employers who are registered with NITA and are up to date on levy payments can get reimbursement of training costs.

The Kenyan model⁶ reflects a traditional approach to industrial and technical education, with, it appears, little employer involvement in standards development. The funding model appears secure. Issues relating to training provision seem very much left to direct engagement between employer and registered trainer. One must assume that these arrangements suit all parties, given Kenya’s

⁵ Initially the SDF will invite applications from five sectors: construction & housing; ICT; tourism & hospitality; livestock; horticulture.

⁶ NORRAG (2003).



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development history, and the relative success of Kenya's industrial and service sectors. If so this suggests that SSC growth reflect and be the result of a specific stage of economic development.

4 Outside Sub-Sahara-Africa

European Union

Apart from generally sharing to a highly developed level the common structures and functions listed at the start of this review, many European countries also have transversal councils that focus either on the labour market as a whole or on groups of sectors within this. A transversal council may have a coordinating role among sectors or it may simply have a transversal role focussed on particular issues such as Information and Communication Technology (ICT) or managerial skills that are needed in all branches of industry and also in the public sector. As an umbrella organisation, a transversal council can also discuss ways to analyse the labour market, as the methodologies they employ do not usually depend on sector characteristics. Transversal councils can also set priorities for a range of Sectors. They may also offer a pointer towards diluting possible competitive pressures that might stifle cooperation and dialogue between SSC members representing dominant industrial players.

Skills for Health (2009-15) provides a persuasive example of a specific EU SSC skills framework.

Association of South East Asian Nations

The Asian Development Bank (2012, p. 15) has described regional initiatives in the area of SSCs.

"Many countries in the Asia-Pacific region, and worldwide, have expressed an interest in developing NQFs and establishing Sector Skills Councils (SSCs) and believe that there will be many benefits. Issues of interest include the relevance of European models to Asia, the role and limitations of NQFs and country and regional experiences. An issue of considerable interest is how countries have overcome the traditional resistance to NQFs, such as resistance from trades unions, a lack of teachers/trainers with national qualifications and employers' acceptance of such standards. Another matter of importance concerns the role of SSCs and whether this is a proven model for the implementation of NQFs. The experiences of moving from national to regional NQFs are also important".

The Asian Development Bank has been particularly instrumental in the development of SSCs in India.

India - a developing case

According to worryingly numerous studies, the majority of Indian college graduates are unemployable due to their lack of skills.

"Among some disciplines the skills gap appears to be staggering – 75% of IT graduates are deemed 'unemployable', 55% in manufacturing, 55% in healthcare and 50% in banking and insurance, according



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to Higher Education in India: Vision 2030, a report produced by international consultants Ernst and Young for the Federation of Indian Chambers of Commerce and Industry, or FICCI.” (Mishra, 2014).

More generally, very few young people enter the workforce with any type of formal or informal vocational training completed.

In 2009 the government formed the National Skill Development Corporation (NSDC), a public private partnership between the Government and industries with an objective of creating high-quality, for-profit vocational education institutes with more than 100 training organisations and other smaller ones that operate independently. Their collective goal is to meet 30 percent of the training needs of the 500 million required by 2022.

Access to skills training is important, but the quality of the training is proving even more critical to the success of students. And the quality of all training providers requires improvement that is immediate and sustainable and based on strong quality benchmarks.

Apart from creating high-quality, vocational education institutes, NSDC has established 31 Sector Skills Councils (SSCs) to support the standardisation of training and certification requirements across industries. As an independent entity, each SSC acts as an intermediary between industry and other stakeholders such as students and training institutions. However the system is flawed.

For instance, in a market flooded with public and private training institutions, SSCs were to be the gatekeepers of both quality and standards. Their trademark was to be the seal of approval and easily recognisable to both employers and students. Instead, their very autonomy has limited their ability to leverage synergies and common implementation structures preventing progress for all.⁷

Quality standards is one of the most critical challenges facing the skill development sector in India and it is clear that SSCs need reforms in order to overcome the associated obstacles. A number of remedies are under review including creating a shared certification brand for all SSCs to overcome market confusion, cooperating to create common assessment delivery mechanisms and behind the scenes R and D, legal, technological and financial systems, and streamlining and standardising unwieldy SSC governance structures. These proposals may well have some relevance to Uganda’s case, despite the clear differences of scale and culture.

Singapore

In the Singapore Workforce Development Agency (WDA) the country has developed a fully funded, well regulated and integrated skills development system, many features of which provide an exemplar for newly developing systems. However against this must be borne in mind the obvious differences in

⁷ Dell Foundation (2013).



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economic size, industrial development and educational systems. But there are still clear lessons to be learnt.

First, conceptual clarity: the government has committed to life-long education which is not limited to its citizens' formative years. It has therefore mandated a system of Continual Education and Training (CET).

Secondly, a fully integrated system: the WDA offers a "one stop shop" for training, recruitment, and counselling. This is due to the buy-in the WDA enjoys from stakeholders in industry, government, unions, and training shops. The WDA and its WSQ frameworks also provide an unequalled quality through its central accreditation process of training Centres and quality assurance processes. Though the WDA does not specifically target disadvantaged or out of school youth, this integrated planning and execution structure, along with the career counselling and placement services it provides, would be particularly beneficial to replicated in Uganda where targeting of youth is the desired focus.

Third, a focus on standards and relevance: to ensure quality of training, transferability of skills, and facilitate the recognition of key competencies, the WDA developed a Workforce Skills Qualifications (WSQ) system, which sets standards for skills qualification levels in 30 different industries in two sets of skills: basic employability or Foundational Skills, and Industry & Occupational Skills. These dual skill types are directly replicated in Uganda's planned system of training delivery.

Fourth, proper resourcing: the WDA has established over 40 CET Centres to provide training in all 30 WSQ Sectors, and has endorsed a further 400 Accredited Training Organizations (ATOs), all of whom set their own prices and effectively compete for enrolment. In addition the WDA has also established five Career Centres and an Institute for Adult Learning (IAL) which is dedicated to improve the capability of trainers and develop new pedagogical approaches that are relevant to current skills development needs.

Fifth, defined and committed funding: the CET system is financed by two main funding mechanisms.

- The first, the Skills Development Fund (SDF) is funded by the Skills Development Levy, a mandatory contribution of 0.25% paid by all Singapore employers on remuneration of all employees. The Skills Development Levy generally generates approximately \$80-90 million per year (Sung, 2011).
- The Government has created an additional funding mechanism for training initiatives: the Lifelong Learning Endowment Fund (LLEF), capitalised at \$5 billion. The CET system uses interest earned on the LLEF to expand and improve its system, and to respond to economic downturns requiring a fast realignment of skills availability (as occurred in 2008).

While the SDF is a possible and likely model for Uganda, a replica of the LLEF mechanism is a distant prospect. The Singapore experience has also revealed two additional negative lessons from "over success":

- "Training fatigue" with plateauing of productivity



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- Over-subsidy has decreased competition between CET Centres and private providers.
- Also, too much classroom training not enough e-learning or practical training e.g. apprenticeships.

These are problems Uganda is unlikely to face in the short term.

Australia⁸

As part of a National Training Framework to simplify and improve the relevance of training and regulatory arrangements, Australia's Industry Skills Councils issue training packages based on both specific business sector (and government) skills, and transversal skills e.g. "service" and "innovation and business" skills. The training packages comprise qualifications, competency standards and assessment guidelines for Registered Training Organisations (RTOs) to design their own courses and manuals.

(Both Australia and New Zealand have large immigrant youth education challenges. These have prompted significant research into defining appropriate learning and employability competences, and developing related training standards and delivery modes. This research has informed much of the development behind the Mountains of the Moon University "Merlin" Employability Skills Course project).

5 Conclusion

5.1 Implications for Uganda

- 1) The speed and mode of development and functionality of Uganda's SSCs will partly derive from the country's economic structure - itself a function of Uganda's stage of industrial development. This economic structure is characterised by
 - Sector dominance by few established players
 - A large informal sector
 - Undeveloped and uncoordinated VET structure
 - Lack of LMI
- 2) The "top-down" approach to developing SSCs is not ideal for stakeholder buy-in but is a necessary approach based on local circumstances and constraints. The absence of other institutional drivers has led to a need for central government intervention and development partner support. While both these factors are in place⁹, as is a well-articulated strategic plan,

⁸ Commonwealth of Australia (2011).

⁹ Ministry of Education and Sports Skilling Uganda BTNET STRATEGIC PLAN 2011-2020 Final Draft – July 2011



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they leave immediate room for SSCs to create their own industry-specific business plans, with the longer term aim being a completely industry-led and self-supporting initiative.

- 3) The supporting institutional capacity pre-determinants include:
 - articulate employers
 - funding for education and training
 - long term planning and support for training and instruction design and institutions
 - strong institutions - labour (unions), professional bodies (employer organisations and trade/professional associations) and
 - labour market research/intelligence
- 4) These will take time to develop. The matter at hand is to define what can be done now to address more immediately remediable issues. Most urgent and important is the incentivising of true collaboration among stakeholders, from the Ministry of Education and Sports and its agencies, private employers, through the self-employed to the training providers.

5.2 Challenges for building effective SSCs in Uganda

In deconstructing these broader issues, the specific challenges to be addressed are:

- 1) Lack of a developed and credible (to employers) VET system;
- 2) "Selling" the legitimacy of the project to industry (and to a lesser extent the VET system)
- 3) Developing detailed labour market intelligence, perhaps with technical support from external advisors, UBOS, FUE, existing employer associations and labour unions
- 4) Distrust among entrepreneurs and the informal sector of centralised bodies' "ethos", independence and impartiality (and taxation)
- 5) Creating stakeholder agreement as to tasks, and a shared recognition of the benefits of collaboration:
 - To employers*
 - Increased relevance of VET to employers
 - Increased definition of employment gaps and opportunities
 - Enhanced recruitment - attraction and selection of properly skilled candidates
 - To VET providers*
 - Increased demand for services
 - Specific VET skills, standards and objectives pre-defined

BTC (Belgian Development Agency) UGA 261 tender specifications

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These are the challenges that will face the Reform Task Force and its advisors, funders and agents. However thankfully this will be against a back-drop of significant Government of Uganda and development partner planning that is already articulated and legislated, and of secure funding commitments.

The Skilling Uganda project is in its early infancy and will struggle to meet the initial structural challenges of establishing SSCs. The areas needing stakeholder agreement and embodiment in sector business plans and constitutions, may be informed by external experience and research, but must crucially include:

- Governance: responsibilities, and external and internal accountabilities and reporting lines: standard cross-industry or by sector
- Management structure - permanent vs mixed (e.g. small secretariat plus “visiting” directors)
- Interests of members. These will vary and reflect very much the type and size of the individual members: small vs large; formal vs informal; complex vs single-line, but arrangements will presumably include or reflect:
 - The range of SSC functions – all or limited
 - The number of underlying skills per Sector
 - Cross-sectoral skills coordination/establishment of separate transversal skills councils
 - Resourcing and votes
- Establishment of skills quality frameworks, either sectoral, national and eventually EAC-wide, and possibly based on established international templates
- Continuing progress assessment and support

An over-arching element is that success will only be guaranteed by selecting protagonists with the appropriate leadership, drive and vision, while protecting the process from the natural competitive pressures among members and the possible dominance of larger or “connected” enterprises.

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All internet sources were accessed between July and September 2015.

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Homepage: www.mmu.ac.ug; Email and Tel (Administrative Assistant): Karugabadeo@gmail.com, +256 773 352340
 Lake Saaka Main Campus, P. O. Box 837, Fort Portal, Uganda



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