



# IMPLEMENTING THE FUTURE ASEAN AGENDA FOR TVET

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A Compendium of Case Studies

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# INTRODUCTION

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The Future ASEAN Agenda for Technical and Vocational Education and Training (TVET) was published and presented to delegates of ASEAN member states at the 9th Regional Policy Dialogue on TVET in Bangkok, Thailand, in June 2019.

The Agenda was developed by the regional working group on ‘Business and Industry Cooperation in TVET’ at a series of workshops between June 2018 and March 2019. The working group was tasked with drawing up policy recommendations for labour-market oriented TVET reforms in the region. It consisted of 20 TVET champions from chambers, associations and companies from all 10 ASEAN member states. The ASEAN Secretariat and the German Government’s Regional Cooperation Programme for TVET in ASEAN (RECOTVET) support the working group as part of a regional learning process among the ASEAN member states, which was initiated at the 7th Regional Policy Dialogue on TVET at the ASEAN Secretariat in Jakarta, Indonesia, in June 2018.

At the core of the Agenda are 45 recommendations, grouped into nine thematic sections. Each recommendation outlines a specific activity or field of action that would directly or indirectly strengthen the leadership of business and industry in TVET and ultimately improve the quality of TVET across the ASEAN region.

In order to illustrate how the recommendations can be put into practice, case studies from ASEAN and beyond were presented and discussed by public and private sector stakeholder representatives at the 9th Regional Policy Dialogue on TVET.

This publication presents some of these case studies in addition to examples of good practice, which had already been discussed at the 7th Regional Policy Dialogue in 2018. It showcases models for the participation of business and industry in labour market-oriented TVET in the ASEAN region and aims to support the implementation of the Future Agenda for TVET across the ASEAN region.

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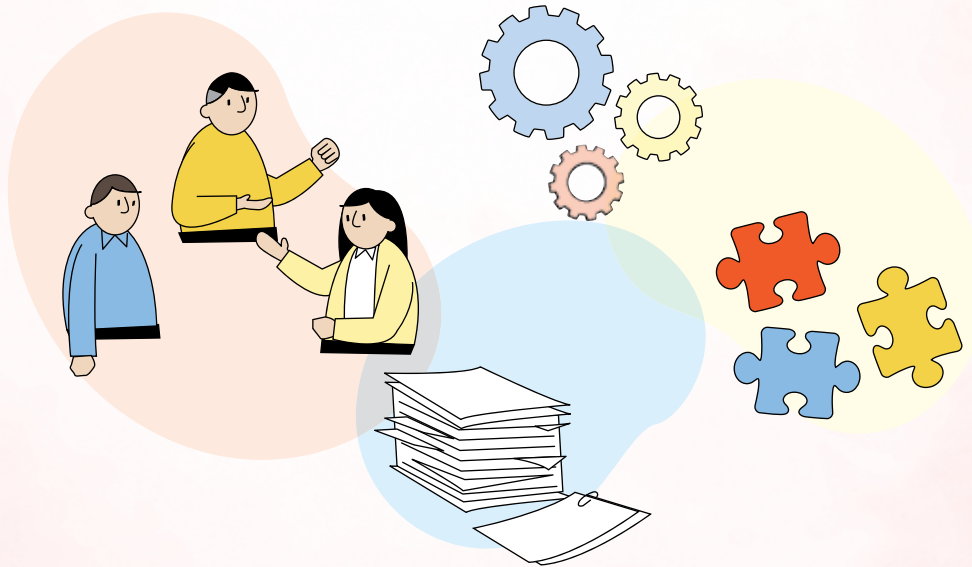
## **CASE STUDIES**

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# ENHANCING THE RELEVANCE AND QUALITY OF TVET REGULATIONS AND STRATEGIES

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# TVET EMPOWERMENT CABINET COMMITTEE, MALAYSIA



*Recommendation 1: Set up national TVET councils co-chaired by senior public and private sector representatives to drive coherent, future-oriented national TVET agendas.*

The TVET Empowerment Cabinet Committee (Jawatankuasa Kabinet Pemerkasaan TVET – JKKPTVET) strengthens the coordination and cooperation between ministries and other TVET stakeholders in Malaysia and empowers the public and private sectors to jointly oversee the national TVET agenda.

*Malaysia wants to make TVET a mainstream choice instead of an alternative.*

## Set-up: public-private cooperation at ministerial level

The TVET Empowerment Cabinet Committee (JKKPTVET) was founded in August 2019 with the aim of developing a new national strategy for TVET that responds to industry needs. It has been approved by the Malaysian Cabinet and is composed of the ministers of education, human resources, rural development, youth and sports,

domestic trade and consumer affairs, enterprise development, agriculture and agro-based industry and works. The Minister of Education heads the Committee.

The private sector plays an important role, as the chairman of the JKKPTVET's Technical Committee (JKTeknikal) is always a private sector representative, who serves as an equal member on the Cabinet Committee. The chairman's position is currently held by the President of the Federation of Malaysian Manufacturers (FMM).

The Technical Committee is divided into sub-committees: governance, funding, industry, quality and branding. It is made up of representatives from various stakeholders, including ministries, TVET institutions, industry, NGOs and employer associations.

## Objective: developing a TVET ecosystem

The Cabinet Committee advises the Government on the development of a TVET ecosystem. It addresses current TVET issues in terms of policy, planning and implementation, based on five pillars

which correspond with the areas of responsibility of its five technical sub-committees:

1. Governance: Establishing a national TVET commission as the central coordinating body for all TVET programmes within one system.
2. Funding: Creating a sustainable financing scheme to ensure that sufficient funds are available for TVET.
3. Industry: Using an industrial partnership model, in which the public and the private sectors share ownership in order to boost industry involvement in TVET.
4. Quality: Strengthening TVET certification to ensure TVET quality.
5. Branding: Creating a single national TVET brand to make TVET a mainstream choice instead of an alternative.

## Strategy: shifting from industry participation to industry-led TVET

The Cabinet Committee aims to develop a demand-driven TVET system with more involvement of industries in dual training programmes. This requires a shift from industry participation to industry partnership before TVET can eventually become industry-led. The Committee has identified seven strategies to transform industry's role:

1. switching from a 'train and place' to a 'place and train' educational strategy
2. introducing a co-ownership model between the Government and industry for equipment, technologies, expertise and innovation

3. establishing industry-based Centres of Excellence (CoE) to coordinate all TVET institutions and optimise the use of government funding
4. mobilising expertise to ensure coordination between industries and TVET institutes,
5. introducing the TVET Valued Industry Partners (VIP) Award to encourage industries to empower TVET
6. creating employment opportunities and fair wages to ensure TVET graduates are paid well with good career prospects
7. setting up industry-led Competency Certification Bodies to avoid job mismatches.

## Activities: TVET campaign reaches out to target groups

The Cabinet Committee held a series of town halls, workshops and meetings to develop a national TVET plan. The meetings resulted in 20 strategies and 15 recommendations for a future TVET system in line with the five pillars. It also launched a national TVET campaign to change people's attitudes towards TVET and convince more industry players to cooperate with the Government. The campaign included a search for TVET Valued Industry Partners which are committed to supporting and contributing to the implementation of TVET programmes at the national level. There was also a call for TVET influencers to serve as role models for young people. A competition was launched to design the national TVET logo and slogan.

# PUBLIC-PRIVATE COLLABORATIVE SCHEME, THAILAND



*Recommendation 4: Strengthen business and industry cooperation in TVET planning through structured public-private dialogue.*

The Public-Private Collaborative Scheme (PPCS) or San Palang Pracharath has initiated a culture of cooperation between private companies and government agencies on TVET in Thailand.

## Strategy: jointly tackling national development

Under the umbrella of the PPCS, the Government of Thailand established a national Public-Private Collaborative Committee (PPCC) whose task is to reduce inequality, improve human capability and develop a competitive economy. The Committee is composed of both public and private sector representatives.

The PPCC identified several economic drivers and basic enablers to help achieve the scheme's objectives. The drivers include innovation and productivity, SMEs and start-up support and the promotion of export and outbound investment, while the enablers include infrastructure development,

upgrading the technical workforce, local economic development and basic education and human capital development.

## Set-up: public and private sector co-chairs

For each driver and enabler, working groups have been set up, which are headed by one government and one private sector representative.

The Upgrading Technical Workforce Working Group (E2) deals specifically with TVET. It is jointly chaired by the Minister of Education and the President and CEO of Siam Cement Group (SCG), Thailand's second largest company.

Members of the Working Group include representatives of the Office of the Vocational Education Commission (OVEC), the Thailand Professional Qualification Institute (TPQI), 15 large companies and the Federation of Thai Industries.



## Activities: working group on TVET pursues quick wins

To upgrade Thailand's technical workforce, the Working Group pursues four quick-win projects, which focus on re-branding, the Excellent Model School (EMS), a demand and supply database, and standards and certification. Each project is led by a business champion, with support from OVEC or TPQI.

The implementation of the EMS quick-win project exemplifies how the Working Group operates: The Minister of Education and the President and CEO of SCG, as the two heads of the Working Group, meet monthly to devise a general plan for the project, provide final approvals, assign roles and

*The direct communication between government and private companies allows the public agencies to better understand TVET-related problems and to utilise the private sector's management and technology strengths.*

responsibilities to all stakeholders and make financial arrangements. The EMS model and its specific plan for implementation are developed bottom-up by a group of private stakeholders. In regular meetings, government agencies, primarily OVEC, and private companies assess the feasibility of the proposed EMS model.

The common framework of EMS, which was jointly initiated by the business sector and government agencies, is structured on the collaboration between a TVET college and a private company. The private company provides mentors and professional trainers for students, who are required to spend at least 50% of the programme time in a real-world workplace (traineeship); the curriculum for the dual vocational training programme is developed based on market needs. Thailand now has 54 schools that are part of EMS.

## Lessons learned

Comprehensive agreements between TVET colleges, government agencies and private companies should be signed and implemented effectively at every stage of a project. It is necessary to develop action plans and a mechanism for regular monitoring, supervision and timely reporting. In addition, the joint financial planning for the quick-win projects should include a budget breakdown and be as transparent as possible to all stakeholders. One particular challenge identified by the private sector was the high level of staff turnover in the public sector agencies. More consistency would be an asset.

# ANNUAL NATIONAL TVET REPORT, VIET NAM



## *Recommendation 5: Strengthen evidence-based policymaking.*

The Annual National TVET Report is a standardised tool to make TVET policies in Viet Nam more data-driven and evidence-based.

### Background: coordinated reporting needed

Until 2015, both the Vietnamese Ministry of Labour, Invalids and Social Affairs (MoLISA) and the Ministry of Education and Training (MoET) were in charge of TVET in Viet Nam. MoET's TVET-related remit was then transferred to MoLISA, which took on the sole responsibility for managing TVET nationwide.

Due to this previous division of responsibilities, TVET-related policies were based on separate reports with inconsistent data and information and lacked thorough analyses, assessments and comparisons. A comprehensive and standardised national TVET report was therefore required, based on the systematic collection of scientific data and key indicators to support policy-making by MoLISA.

### Objective: supporting evidence-based TVET system development

The Annual National TVET report was initiated to provide a regular and transparent review of TVET in Viet Nam. It monitors and evaluates the implementation of national TVET policies, strategies and programmes and provides recommendations and policy guidance for the development of the Vietnamese TVET system. The report's main target group includes policy-makers, researchers, TVET institutions, international organisations, development partners and the private sector.

The National Institute for Vocational Education and Training (NIVT) took the lead in developing the report in close consultation with its managing authority, MoLISA's Department of Vocational Education and Training (DVET), and the General Statistics Office (for data collection). Technical support was provided by the 'Reform of TVET in Viet Nam' programme, implemented by GIZ on behalf of the German Federal Ministry for Economic



Cooperation and Development (BMZ), and by the German Federal Institute for Vocational Education and Training (BIBB).

*The report provides transparent information about the TVET situation in Viet Nam, monitors and evaluates the implementation of national TVET policies and makes recommendations on TVET development.*

### Report structure: highlighting trends over time

The report utilises an indicator-based approach. It generally covers nine topic areas, which are updated on an annual basis: 1) overview of policies, 2) TVET related labour market information, 3) network of TVET institutes, 4) admissions and graduations, 5) TVET personnel, 6) national occupational skill standards, assessment and certification, 7) TVET quality assurance and accreditation, 8) TVET financing and 9) cooperation

with enterprises. In addition, each annual report highlights one focal topic to illustrate trends in TVET. The report is published in Vietnamese and English.

The Annual TVET Report covers a multitude of topics and content, so the sources, quality and timeliness of data play an important role. NIVT cooperates with a range of stakeholders, including the General Statistics Office, the Department of Employment, DVET and VCCI to ensure timely data collection. This close cooperation with stakeholders in the process of producing the report is a key success factor.

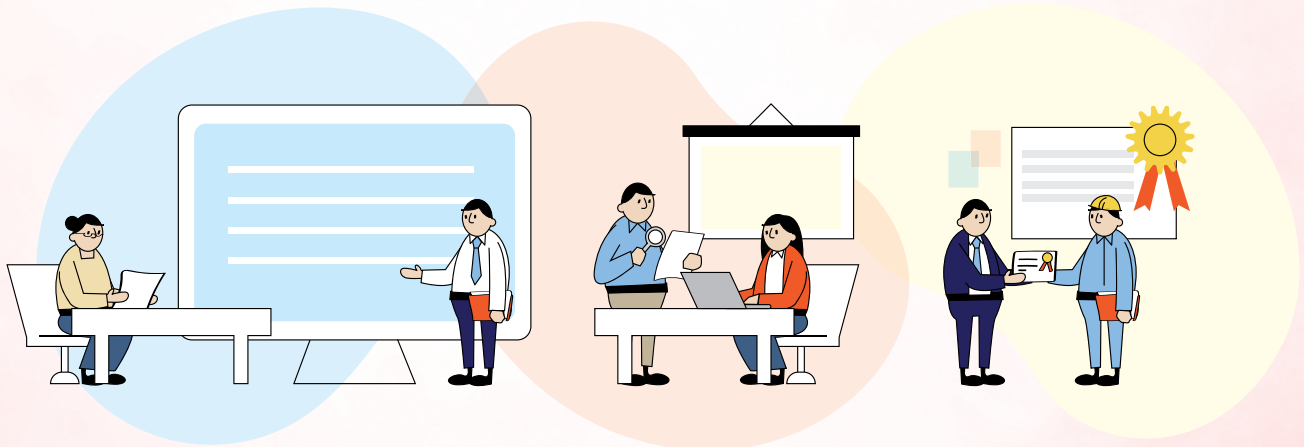
### Lessons learned: data analysis and visual presentation improve quality of report

In order to support policy-making, a TVET report must be of high quality. The primary and secondary data which serve as the basis for the report must therefore undergo professional analysis and should be validated by stakeholders at technical workshops. The report should always include a summary of data and information, recommendations, tables, charts and figures.

The report's contributors and data collectors must possess adequate technical and editorial expertise. In Viet Nam, NIVT's staff, who produce the report, continuously develop their report writing skills at twice-yearly national workshops. Some of them also benefit from annual study trips to BIBB and from technical feedback via emails and video conferences.

# ESTABLISHING PUBLIC-PRIVATE MODELS FOR SKILL STANDARD DEVELOPMENT AND ASSESSMENT

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# NATIONAL SKILLS STANDARDS AUTHORITY, MYANMAR



— *Recommendation 9: Form national certification bodies to professionalise and standardise the assessment of skills.*

Myanmar's National Skills Standards Authority (NSSA) is mandated to develop a national skills standards system, promote systematic competency-based training and certification of skilled workers and support the recognition of prior learning with occupational skills assessments and certification.

## Set-up and strategy: working through committees

The NSSA was established in 2007 as a public-private partnership with the aim of supporting ASEAN's regional economic integration agenda. It is chaired by the Permanent Secretary of the Ministry of Labour, Immigration and Population (MOLIP) and co-chaired by the Permanent Secretary of the Ministry of Industry (MOI).

The NSSA comprises 15 sectoral committees, a training committee and an assessment and certification committee. The sectoral committees are chaired by representatives of ministries/

departments and the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI). Members include experts from private and public sector organisations, companies, business associations and relevant ministries. The committees are tasked with developing the required National Occupational Competency Standards (NOCS), which reflect levels of workforce training and work-based skill sets. The NSSA facilitates and coordinates the committees' work.

*Myanmar involves the public and the private sectors in its efforts to professionalise and standardise the assessment of skills.*

It is always difficult, in a government-led system, to react flexibly to changing business, industry and labour market needs while safeguarding compliance with national standards and regulations. By involving the private sector, employer associations, trade unions and the Government, the NSSA's 15 sectoral committees assist stakeholders to respond to this challenge.

### Private sector involvement: industry experts have various roles

Professional associations and employer associations have been encouraged to take part in the skills assessments and certification programme.

Technical experts, supervisors and managers from industry with expertise in practical work processes ensure that certification schemes meet industry needs and conform to social, ethical, health and safety standards. Industry representatives can chair committees or sub-sectoral committees and serve as assessors, inspectors or owners of assessment centres.

Assessment centres were established to test employees' skills. They use a recognition of prior learning (RPL) approach, which gives workers, who have learned their skills through non-formal or informal training or hands-on experience, the chance to obtain certificates without having to go through formal education or training. The centres are accredited by the Assessment and Certification Committee (ACC) in order to professionalise and standardise the assessment of skills as stipulated in Myanmar's Employment and Skills Development Law.

So far, the ACC has accredited almost 200 centres to assess skills for the recognition of prior learning (RPL) in over 30 trades in 12 of Myanmar's 15 regions and states.

### Process: from competency standard development to certification

The NSSA's competency assessment is a lengthy process – from developing the competency standard (NOCS) to assessing and certifying employees' skills. It includes the following steps:

- competency standards development
- development of assessment plans and guidelines
- finalisation of assessment tools and assessor training
- development of inspection and accreditation guidelines
- inspection and accreditation of assessment centres
- trialling and modification of tests
- pre-training and familiarisation
- conducting assessments
- certification

With the aim of building up Myanmar's labour force to become more competitive in the ASEAN labour market, the NSSA identified four skills qualification levels, which were agreed by all stakeholders. As of February 2020, the NSSA awarded more than 14,000 certificates in over 30 occupations to semi-skilled and skilled employees (NSSA skills qualification levels 1 and 2) who had acquired their occupational expertise through workplace learning and hands-on experience.

# STRENGTHENING THE LEADERSHIP OF BUSINESS MEMBERSHIP ORGANISATIONS IN TVET

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# SINGAPORE NATIONAL EMPLOYERS FEDERATION, SINGAPORE



*Recommendation 11: Expand the member base of business membership organisations by providing more and better value-added services.*

The Singapore National Employers Federation (SNEF) has a well-established training unit which offers its members high-quality value-added services in TVET-related issues.

## Set-up: representing Singapore's employers' interests

SNEF was founded in 1980 and has over 3,500 corporate members with a combined workforce of over 800,000 employees. About half of Singapore's companies with 200 or more employees are SNEF members. SNEF's work focuses on industrial relations, employment issues and developing skills within organisations.

Companies pay a membership fee based on their number of employees. The fee ranges from SGD 350 to SGD 3,750 per year.

## The corporate learning center: providing training and advisory services for members

The Federation has 25 full-time staff and 83 associate trainers and consultants, who focus on reskilling, upskilling and TVET-related advisory services. Most of them work for SNEF's Corporate Learning Center in sales and marketing, programme management and consulting. The team focuses on the collaboration with SkillsFuture.

The Corporate Learning Center trains around 20,000 employees per year in five key areas:

1. human resources and industrial relations
2. remuneration
3. leadership, employability and new skills
4. re-employment and employment practices
5. operations, supervision and management.



SNEF has learned that it is not enough to provide training; companies require help to put a system in place which allows them to run their own training programmes successfully. It therefore also provides advisory services to its members on training and labour relations. In addition, members gain free access to individual consultations and briefings about the latest employment practices and changes; they also benefit from discounts on conferences, workshops and seminars.

*SNEF's strong point is building close partnerships between its members and the Government and labour unions.*

## Activities: a focus on Industry 4.0 and SMEs

In collaboration with the Government and labour unions, SNEF pushes for more workplace learning and skills development and has consulted on the Government's WorkForce Singapore Programme since 2016. With Industry 4.0 being a current trend, SNEF helps employers transform to a digital economy by developing digital workplaces, equipping employees with digital skills and building digital HR capabilities.

A particular focus of SNEF is on assisting small and medium-sized enterprises. It

- promotes skills upgrading among SMEs
- increases awareness of the various training programmes available
- assists SMEs which do not have the resources to plan their staff development
- encourages SMEs to participate in skills development training programmes.

# DUAL-COOPERATIVE TRAINING SERVICE CENTRE AT LNCCI, LAOS



*Recommendation 14: Establish TVET departments in business membership organisations staffed with full-time employees who are trained to deliver TVET-related services.*

The Lao National Chamber of Commerce and Industry (LNCCI) wants to promote dual-cooperative training (DCT) and support companies to implement this TVET approach. It is therefore establishing a Dual-Cooperative Training Service Centre (DCT SC).

## Set-up: a new service centre

Preparations for the establishment of the Dual Cooperative Training Service Centre (DCT SC) in the LNCCI in Vientiane have been under way since early 2019. Its aim is to formalise and expand LNCCI's exposure in DCT. The official launch is expected to take place in quarter three of 2020.

The DCT SC will be hosted by the Bureau of Employers' Activities (BEA) and closely linked with other LNCCI units, mainly the SME Service Centres in LNCCI's three provincial chambers, in order to offer support services to companies.

## Envisaged activities: engaging companies in TVET

The DCT SC will provide services to BMOs, businesses and company employees in the following sectors: agriculture, automotive, construction, hospitality/tourism and the garment industry, as well as to TVET learners. The DCT SC will pursue three functions:

1. Promotion: Increasing the number of companies that adopt DCT as the preferred training pathway for their employment and labour needs.
2. Collaboration: Shaping the TVET-enabling organisational and regulatory environment and positioning LNCCI as part of a private sector-led approach.
3. Support: Enabling companies to gain the maximum benefits from providing DCT.



## Staffing strategy: establishing positions with clear roles

Initially, three staff members will operationalise the DCT SC in the LNCCI:

1. DCT SC coordinator (1 full-time position at LNCCI): The coordinator develops the DCT SC in line with the strategy and business plan. The duties of the coordinator include

- creation of an appropriate DCT SC operational environment in the BEA
- guidance and inputs into the implementation of the DCT agenda
- DCT service standards, certification/ accreditation and training
- recognition and awards for DCT companies
- DCT promotion and marketing

*The new training centre aims to increase the number of companies which adopt dual cooperative training.*

2. Help desk operator (1 full-time position at LNCCI): The help desk operator is a frontline staff position to advise and support companies, training institutions, DCT trainees and staff of provincial chambers in operational DCT-related matters. The duties of the help desk operators include

- Pro-active engagement of existing and prospective DCT companies
- Timely response to queries and calls for advice from companies and stakeholders
- Company-training institution relations
- DCT-related instruments and tools application (compliance)
- Provincial chamber and association liaison

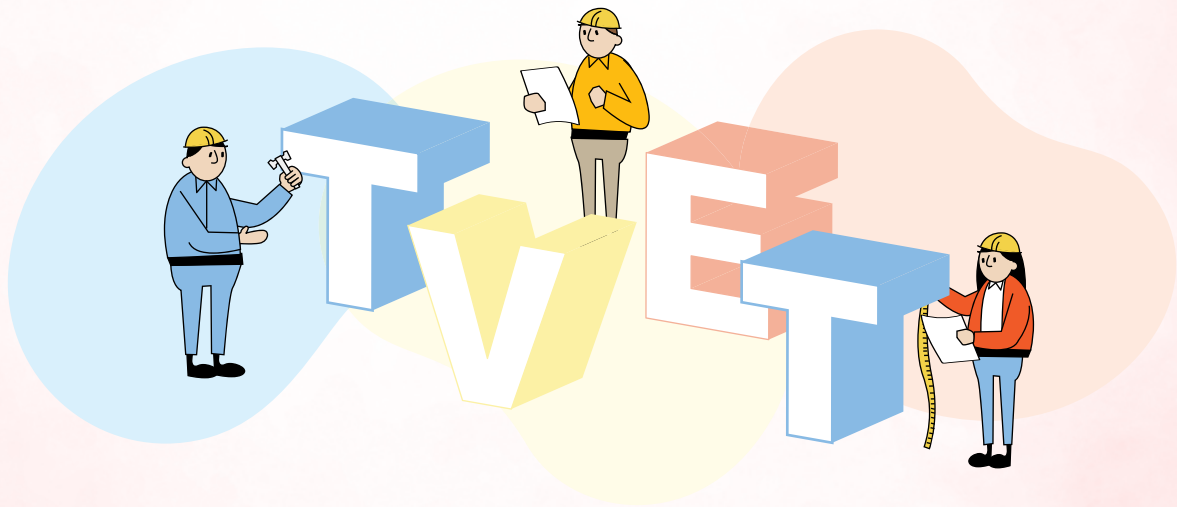
3. Information officer (1 part-time position): The information officer maintains a high level of public and stakeholder awareness on all DCT-related matters. The duties of the help desk operator include

- Managing information, marketing, promotion activities
- Service delivery and administration support
- Support in planning and logistics for recognition and awards.

In the longer term, LNCCI is planning to establish four more permanent positions in the DCT SC at LNCCI: DCT specialist, communication and marketing officer, DCT liaison officer and help desk operator. Additional help desk operator positions will be established in the Provincial Chambers of Commerce and Industry in Champasak and Luang.

# REBRANDING TVET

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# TVET AWARENESS-RAISING CAMPAIGN, VIET NAM



—●●●— *Recommendation 16: Launch TVET awareness campaigns to improve the public reputation of TVET.*

In order to improve the reputation of TVET in Viet Nam, the Ho Chi Minh City branch of the Vietnamese Chamber of Commerce and Industry (VCCI-HCM) runs an awareness-raising campaign and provides TVET-oriented career guidance.

## Background: need to raise TVET's profile

In Viet Nam, there is little awareness or interest in TVET among employers and the general public. However, it is vital that the government, business and industry, teachers, students and their families have a good understanding of the advantages of TVET. VCCI-HCM has therefore launched a comprehensive awareness-raising campaign in the south of Viet Nam for various target groups, including government, business and industry, schools, students and families.

## Approach: the right message and channel for each stakeholder

To raise the Government's awareness, VCCI-HCM gives industry a voice on human resource development. It also promotes the establishment of engagement mechanisms and incentives for businesses that offer TVET programmes.

In addition, VCCI-HCM encourages companies to invest more in TVET. It shares success stories and makes use of job fairs as good opportunities for companies to showcase their skills profile and advertise their vacancies. Matching services are offered to support company recruitment.

VCCI-HCM informs schools about labour market requirements, based on its survey of member companies. It connects schools with

industry and organises visits for students and teachers to provide them with practical insights into the world of work.

VCCI-HCM uses social media as its main channel to communicate with students. Its Facebook page on career guidance has around 23,000 followers and a newsfeed frequency of two to three posts per week. The page also provides online career consultations and responds to approximately five messages per day. VCCI-HCM has also created a career guidance website which offers news, information, online aptitude tests and short videos featuring various occupations, which are also available on YouTube.

VCCI-HCM's awareness-raising campaign aims to convince young people and their families that TVET is a good pathway in its own right, not a

less desirable option compared to academic education. Together with the Ministry of Labour, Invalids and Social Affairs (MOLISA), VCCI-HCM organises training courses on career guidance skills for secondary and TVET teachers. The teachers themselves need to gain a better understanding of TVET and other options before they can provide good career guidance for students and parents. It is also important to provide hard data about the employability and salary levels of TVET graduates in comparison to higher education graduates.

VCCI-HCM also supports open days at TVET schools to enable young people to explore the TVET pathway. During conversations with business representatives at the open days, prospective students receive first-hand information about the job market and employment-related skills.

*An awareness-raising campaign must choose the right messages, language and communication channels for different target groups.*

# MOBILISING COMPANIES TO ENGAGE IN TVET

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# COST-BENEFIT STUDY OF THE DUAL TRAINING SYSTEM, PHILIPPINES



—●●●— *Recommendation 21: Calculate the return on investment of engaging in TVET in order to persuade more companies of its benefits.*

A cost-benefit study of the Philippines' dual training system (DTS) determined the return on investment for 201 companies which engage in dual training programmes.

## Objective: determining the usefulness of dual training

The Technical Education and Skills Development Authority (TESDA) commissioned the study in 2016, because a well-functioning dual training system relies heavily on companies' willingness to train students. As the private sector is generally led by cost-benefit factors, this is an important indicator of acceptance of the dual training system.

The study aimed to

- determine the usefulness of the DTS, based on companies' costs and benefits
- determine if the benefits of dual training outweigh a company's training costs
- provide empirical evidence to identify

critical constraints in implementing the DTS nationwide

- provide TESDA with policy recommendations on how to expand and improve the DTS.

## Methodology: comparing the costs and benefits for companies

Companies were asked to fill in a structured questionnaire to determine the costs and benefits of running a dual training programme. The study used a cost-benefit model, based on gross costs vs. the benefits of training. However, many long-term benefits are difficult to report in monetary terms. The study therefore only measured the costs and benefits during the training period. The gross costs of training included.

- trainee costs, e.g. the monthly training allowance, health insurance, clothing, accommodation and travel



- trainer costs, e.g. wages for internal and external trainers
- administrative and teaching costs, e.g. tools and equipment, training workshop materials.

The benefits derived from the DTS can be divided into short-term benefits, in terms of the trainees' productivity during the training, and long-term benefits, which may arise if the company employs the trainee after completion of the training. These long-term benefits include the savings made by the company in terms of hiring new employees, including costs of recruitment and induction, and the benefits the companies gain because of productivity differences between the DTS-trained staff and externally recruited workers. Non-monetary benefits include the business's positive image as a responsible company. After calculating the gross costs and the short-term benefits, the net costs are computed as the difference between the gross costs and the short-term benefits.

*The new training centre aims to increase the number of companies which adopt dual cooperative training.*

## Study outcome: clear benefits for companies

The study reveals that a company's combined short-term and long-term benefits clearly outweigh the overall costs of dual training, making it worthwhile for companies to participate in the DTS. In manufacturing and hospitality, the benefits outweigh the costs by 30%. The greatest short-term benefit is an increase in productivity. In addition, the study shows that 32.6% of trainees were hired by the companies which had trained them. The higher probability of being employed is the unique selling point of company-based programmes, such as the DTS, over other modes of training.

## Lessons learned: cost-benefit studies can help persuade companies to invest in TVET

A cost-benefit study is a good tool to provide firm evidence and to help persuade business and industry to invest in TVET. The availability of data on partner companies and training institutions is very important in conducting these studies. It is useful to adopt and adapt methodologies from experienced partners, such as the German Federal Institute for Vocational Education and Training (BiBB). Reputable research institutions or universities should be encouraged to participate. Finally, disseminating results and pushing for action on the outcomes is as important as the study itself.

# ASEAN SKILLS DEVELOPMENT AWARD, ASEAN



*Recommendation 22: Set up a recognition system to award outstanding companies engaged in TVET.*

The ASEAN Skills Development Award goes to companies which have demonstrated leadership and made significant investment in human resources development.

fourth industrial revolution. It takes into account that meeting ASEAN's skills requirements today and tomorrow requires cooperation between business and public education systems.

## Objective: a new award to showcase TVET champions

The Skills Development Award featured in the ASEAN Business Awards (ABA) for the first time in 2019 during Thailand's presidency of the ASEAN Business Advisory Council. The presidency's theme was 'Empowering ASEAN 4.0', with a particular focus on human capital development.

The Award draws attention to the need to strengthen professional technical and vocational skills and to reskill and upskill ASEAN's workforce in order to counter the expected impacts of the

*The award winners' stories should inspire other companies to build their employees' capacities to meet ASEAN's skills requirements today and tomorrow.*



## Award selection criteria: focusing on impact and public-private cooperation

The Award, which is open to all ASEAN companies, consists of an SME Tier and a Large Tier. It is based on four key criteria:

1. Impact of a company's human capital development activities (40% of overall score): This criterion is applied to assess how a company improves the skills of its own employees, of students and the general workforce in the community, based on an evaluation of the activities' quantitative and qualitative effects.
2. Cooperation (30% of overall score): This criterion is used to evaluate a company's mechanisms for collaboration with the public sector with regard to planning, implementing and monitoring its skills development activities, the roles and responsibilities of each stakeholder, the formalisation of the cooperation, cost-sharing mechanisms, and a company's contribution to social development.
3. Innovation and replicability (20% of overall score): A company's human capital development activities are judged in terms of innovation and future skills orientation, replicability and their potential to promote the social inclusion of disadvantaged groups.
4. Sustainability (10% of overall score): The sustainability of a company's human capacity development activities is

evaluated, based on how long the activity has already been successfully implemented, its financial longevity and the mitigation of risks.

## Selection process: transparent and fair

The process for selection of the award winners is as follows:

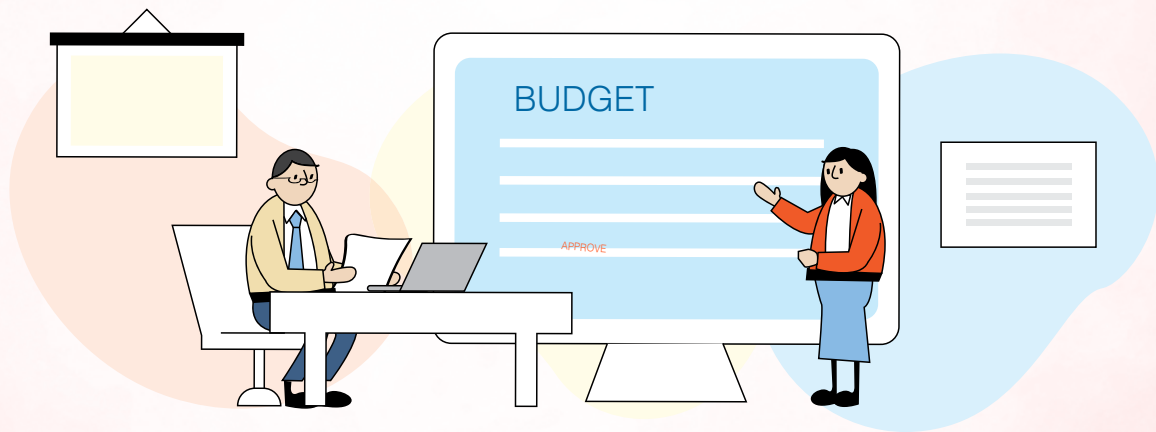
- Companies submit their application to the ABA Secretariat.
- Knowledge partners and a small group of skills development experts evaluate all eligible submissions, fill in a scoring sheet and draft a shortlist.
- The ABA judges review the shortlist and decide on the winners. The 10 judges represent all ASEAN member states and are leading figures in their country's business community or in academia.
- The award winners are announced at a gala dinner during the annual ASEAN Business and Investment Summit (ABIS).

## Winners' stories: examples for replication

The award winners are featured on traditional and social media, thematic websites and in a follow-up publication. This substantial media exposure encourages other companies to apply for the next round of the ASEAN Skills Development Award and helps to raise awareness of the need to invest in skills development.

# ENSURING SUFFICIENT FUNDING FOR TVET

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# HUMAN RESOURCES DEVELOPMENT FUND, MALAYSIA



—●●●— *Recommendation 27: Allocate an appropriate annual budget to TVET and consider the establishment of a TVET fund.*

The Malaysian Government's Human Resources Development Fund (HRDF) catalyses the development of a skilled workforce in the country. For more than 25 years, it has disbursed grants worth around USD 1.56 billion for skills development.

## Set-up: a public fund with equal private sector representation

The HRDF (Pembangunan Sumber Manusia Berhad – PSMB) was established in 1993 under the Human Resources Development Act 1992. It was set up as an agency under the purview of the Malaysian Ministry of Human Resources and is governed by the Pembangunan Sumber Manusia Berhad Act 2001, which provides for the imposition and collection of a human resources development levy for the purpose of promoting the training and upskilling of employees, apprentices and trainees. The HRDF's vision is that every Malaysian employee is trained, which it supports by spearheading the learning and development of the Malaysian workforce.

Industry is a key stakeholder and advocate of the HRDF. The private sector has equal representation in HRDF's Board of Directors, which enables its representatives to protect the interests of companies which contribute to the Fund.

## Mechanism: a levy for human resource development

HRDF focuses on the three sectors (including 63 sub-sectors) that contribute most to Malaysia's GDP: manufacturing, services, mining and quarrying. The Fund can thus reach more than 27,000 employers and 2.3 million employees.

The Fund's resources come from a human resource development levy that each employer in the covered sectors has to pay. For companies with 10 or more Malaysian employees, a 1% levy based on the monthly wage of each employee is mandatory. For employers with five to nine employees, a 0.5% levy is voluntary.

Between 1993 and April 2019, companies contributed USD 1.93 billion to the Fund.

## Impact: financial assistance for training programmes

The levy payments are administered by the Fund, which uses them to support companies' human resource development in four categories: pre-employment, employment, post-employment, and learning ecosystem and landscape. Grants from the HRDF can be used to cover a share of training costs, to support collaboration, to increase training programmes' outcomes, and to promote standard-setting and certification. All companies that have registered with the HRDF and pay the levy are eligible for financial assistance for training purposes.

*Industry participates in the Fund's decision-making so that training programmes can be tailored to its needs.*

In order to receive financial assistance from the HRDF for their skills development activities, companies must

- plan a training programme for their employees
- apply for a HRDF training grant

- conduct the training programme and
- submit their claims to the HRDF for reimbursement.

Between 1993 and April 2019, the HRDF disbursed USD 1.56 billion in grants. In 2018, the HRDF disbursed USD 158.9 million in grants, with TVET-related training courses amounting to roughly 36% of all HRDF-approved courses in that year.

A recent study conducted by the World Bank Group in 2017 on the effectiveness of the HRDF revealed that training an additional 1% of a company's workforce is associated with a 3% increase in productivity among HRDF-registered companies and a 1% increase in productivity among all companies in Malaysia. The study also shows that more than 3,000 students participated in the HRDF apprenticeship scheme between 2011 and 2015. On average, around 83% of the apprentices of each programme got a job after completion.

## Lessons learned: need to continuously adapt to industry changes

A 'one size fits all' approach does not work: some training schemes and initiatives may be a good fit at a certain time, but when industries change, the initiatives may become obsolete. This requires the HRDF to be flexible and shift the focus of the training programmes it supports as conditions change. The last review of existing HRDF training schemes and initiatives was conducted in 2019. The review resulted in the formulation of an HRDF initiatives strategic map.

# SKILLS DEVELOPMENT FUND, CAMBODIA



*Recommendation 27: Allocate an appropriate annual budget to TVET and consider the establishment of a TVET fund.*

The Skills Development Fund (SDF) was set up in 2018 as a strategic initiative by the Government of Cambodia to strengthen human resource development. Its vision is to become one of the most trusted TVET funding platforms.

## Strategy: a platform for funding human resource development

The SDF was established by the Cambodian Government to mobilise resources for building a skilled workforce in line with market demand. The Fund is a response to skills mismatches, which the private sector had raised repeatedly.

It provides a platform for Cambodia's private sector and development partners to contribute funds for the upgrading and pre-training of the country's workforce.

The SDF's work complements the skills development efforts of the Ministry of Labour and Vocational Training, the Ministry of Education, Youth and Sport and other ministries.

The Fund is open to various stakeholders, including SMEs, large firms, associations and training providers. It co-finances teachers' and instructors' salaries, allowances for trainees, training materials, utilities and administrative costs.

*The Skills Development Fund enables companies, training providers and associations of all sizes to access co-funding for their skills development activities.*

## Eligibility criteria: focusing on business and industry involvement in TVET

Priority is given to joint training programmes between industry and schools, with programmes initiated by industry receiving a higher score. To receive SDF funding, applications must include a training proposal that meets the following criteria:

- Overall quality: The relevance of training content, trainers' qualifications and company credibility must be ensured.
- Sectors: The SDF currently focuses on manufacturing, construction, ICT, electronics and tourism and other sectors with a high skills demand.
- Beneficiaries: Training programmes should

target formally employed workers, while pre-employment programmes focus on future workers.

- Duration: Training programmes last between two weeks and 12 months.
- Certification: Ideally, graduates should receive a joint company-school certificate.
- Financing: The costs of training programmes should be shared by schools and companies, financially or in-kind.

Companies receiving co-financing through the SDF have to meet certain key performance indicators related to drop-out rates, post-training employment rates and salary increases three months after completion. These indicators differ slightly between large firms and SMEs.

# TAX EXEMPTIONS FOR INVESTMENT IN TRAINING, THAILAND



*Recommendation 28: Stipulate incentives for companies to become engaged in TVET and ensure their enforcement.*

The Government of Thailand grants companies significant tax exemptions if they invest in developing their employees' skills. This reflects the Government's priority to improve TVET and increase private sector involvement in the TVET system.

## Approach: promoting TVET with tax incentives

The Skill Development Promotion Act B.E. 2545 (A.D. 2002) and the Tax Exemption Act 237 B.E. 2548 (A.D. 2005) provide the legal basis for tax exemptions for companies engaging in TVET in Thailand. This is in line with the Government's strategy to make TVET and the involvement of private companies in the TVET system one of its priorities. Companies benefit from substantial tax exemptions for investing in training.

The thinking behind the tax exemptions is that once companies invest in training measures, they see their workers' skills and know-how improving and realise that employing in-company trainers pays off in the long run. It is assumed that companies would continue these training activities even if the tax breaks were reduced at a later point in time.

## Incentives: focus on in-company training

The Government of Thailand offers specific courses for in-company trainers. When a company sends an employee to one of these courses, all costs related to this course can be deducted from their taxable income at 200%. In addition, all the costs of training activities for company employees, if conducted by a trained in-company trainer, can be deducted at 200%. The same applies to all

training costs relating to a company's involvement in Thailand's dual vocational training system. Materials and machinery used for training purposes are also exempt from VAT and import duties.

*Companies which train their staff can reduce their tax payments.*

## Stakeholders: a key role for business associations

Business associations such as the Federation of Thai Industries and the Thai Chamber of Commerce have a key role to play in the implementation and adaptation of this policy. On behalf of the business community, they negotiate with the Government on the rate of tax reduction and the alignment of training activities to industry needs. They also promote the tax exemption scheme and encourage their member companies to engage in TVET.

# LILAMA 2 INTERNATIONAL TECHNOLOGY COLLEGE, VIET NAM



—●●●— *Recommendation 29: Pool public and private resources by establishing national centres of excellence.*

LILAMA 2 International Technology College was selected by the Government of Viet Nam to be upgraded to a national high quality TVET institute.

## Background: a TVET college close to industry

LILAMA 2 is a TVET college providing demand-led initial and further technical and vocational education and training in 14 occupations, seven of them in line with international standards.

LILAMA 2 was established in 1986 as part of LILAMA Corporation and became a public college under the Ministry of Construction in 2010. LILAMA 2 is now one of the first vocational training institutes in the country to be granted management autonomy by the Prime Minister. In addition to its government funding (which depends on the number of yearly enrolments), LILAMA 2 secures external funds from various sources, such as training contracts with government authorities, companies and individual learners.

## High-quality TVET institute: LILAMA 2 on track to meet criteria

Together with 87 other schools, the college receives public funding to work on qualifying for national high-quality TVET institute status. To achieve this status, it has to meet the following criteria, set by the Government:

1. Coverage: An institute must have at least 2,000 TVET students, 30% of whom major in priority occupations and industries specified by the Directorate of Vocational Education and Training (DVET).
2. Employment: At least 60% of graduates find a job within six months after completion. For students majoring in the priority occupations and industries, the figure must be at least 90%.
3. Level of attainment: All secondary students must achieve a certificate at level 2 of the 5-level framework for National



Occupational Skills Standards, while college students must achieve level 3. All students must pass English language and IT examinations and achieve a specified level of proficiency.

4. Quality assurance: All training courses offered by the institute have to meet national quality standards.
5. Teachers' qualification: All teachers must have a certain level of proficiency, e.g. in information technologies and English.
6. School management: Schools must provide proof of certification in TVET management.

*To become a high quality TVET institute, LILAMA 2 has to comply with various criteria set by the Government.*

Apart from these formal criteria, LILAMA 2 can score additional points for its location in an industrial zone near a densely populated residential area. This enables it to collaborate with companies in the industrial zone and reach out to a variety of learners in the residential area. Because LILAMA 2 is outperforming the criteria for high-quality TVET institutes, it was selected by the Ministry of Construction and the Ministry of Labour, Invalids and Social Affairs to be positioned internationally as a Centre of Excellence.

## Approach: achieving excellence through domestic and international cooperation

LILAMA 2 is engaged in successful cooperation with international partners such as the American Welding Society and the European Association of Institutes of Vocational Training. The college also runs a public-private partnership project with Bosch, a German corporation and leading global supplier of technology and services, and GIZ. Bosch has sponsored a high-end laboratory for practising Industry 4.0 in TVET.

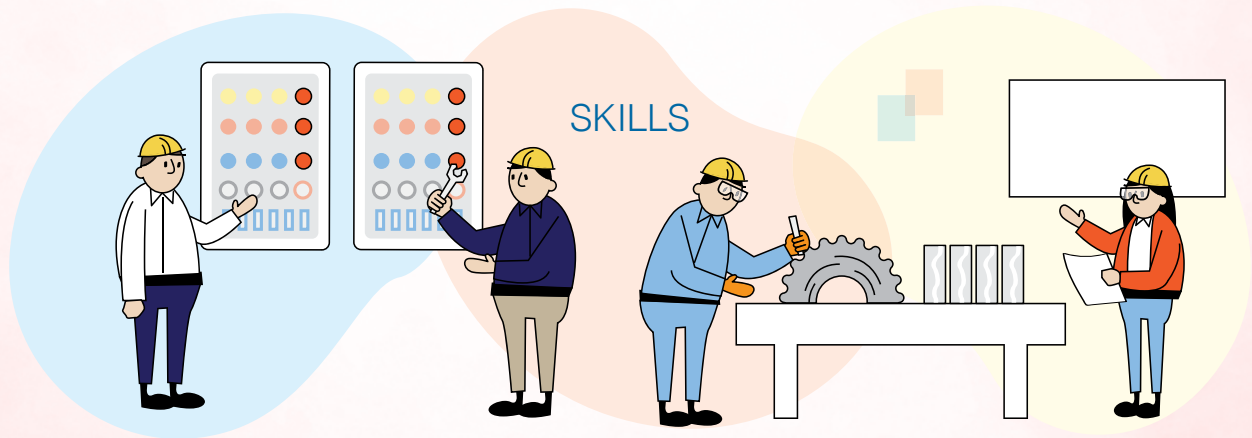
In Viet Nam itself, LILAMA 2 pilots a cooperative training model with foreign and domestic enterprises and industry associations. These partnerships focus on the development of occupational profiles and demand-oriented training programmes for four priority occupations (mechatronics, industrial electronics, metal cutting/CNC and construction mechanics); delivery of cooperative training programmes at the college and partner companies; and student assessment.

Within the framework of the cooperative training model, LILAMA 2 provided training for 38 in-company trainers to introduce, improve and provide workplace training, and for 14 examiners from companies to ensure the industry's participation in examinations. Industry boards were established at the college to guarantee regular exchange among all institutional stakeholders, including businesses, sector associations, DVET, line ministries and TVET institutes, in order to improve and optimise training on an ongoing basis.



# IMPROVING THE QUALITY OF TRAINING DELIVERY

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# ACUATICO BEACH RESORT AND HOTEL INC., PHILIPPINES



## *Recommendation 36: Develop the competencies of in-company trainers*

Acuatico Beach Resort and Hotel creates favourable conditions for its experienced staff to become in-company trainers.

### **Acuatico: a small resort with big skills development ambitions**

Despite having fewer than 50 staff, Acuatico invests considerable effort in developing its employees' skills. The resort is also a pioneer stakeholder in the K to 12 Plus project. 'K to 12' stands for 'From kindergarten to grade 12' and is the Philippine Government's education reform strategy. K to 12 Plus promotes technical and vocational education and training in senior high schools, mainly targeting students in grades 11 and 12. The programme pilots innovative dual training approaches and aims to produce employable graduates with marketable skills that match companies' needs for mid- to high-level employees.

### **K to 12 Plus: in-company trainers are a must**

In 2014, Acuatico joined forces with 17 other resorts, education providers, government, business associations and development partners to support the delivery of K to 12 Plus. The programme requires every resort to have at least one in-company trainer to teach and guide students during their workplace training (work immersion period) on the basis of curricula developed jointly with the local high school. Students are required to complete at least 800 training hours to obtain national and chamber certificates in housekeeping, food and beverage management, front office operations or tourism promotion. To oversee the implementation of the programme, in-company trainers and school teachers regularly meet as part of a committee to discuss implementation issues, recommend improvements and monitor progress.



## Training activities: employees are encouraged to develop their (training) skills

To develop their training skills, Acuatico offers its employees a two-week leave of absence to become in-company trainers. The training courses are conducted by two advanced trainers from the Association of Laiya Resort Owners (ALRO). Between 2015 and 2017, three training sessions were held for employees of local resorts. The curriculum was based on the Standard for In-company Trainers in ASEAN Countries, which has been accepted regionally as a benchmark for the training of in-company trainers.

Acuatico also implements a Continuing Education Programme to provide opportunities to employees to upgrade their knowledge and skills and develop their careers. All employees participate in skills training for at least 40 hours

per year. They receive financial assistance if they enrol in short courses, continue their higher education or obtain national certificates in areas such as food and beverage servicing, housekeeping and front office operations.

## Training results: creating local employment opportunities

Around 70% of Acuatico's workforce is from the local community with limited access to training. Together with ALRO, Acuatico's in-company trainers train 100 to 150 students and deliver around 125,000 hours of training per year. Around 60 per cent of the programme's alumni have already been hired by participating resorts. This has reduced the resorts' costs of hiring and training new staff. Acuatico's training has also upskilled its existing employees and improved their performance at work. In 2018, Acuatico had 18 in-company trainers.

*Acuatico Beach Resort's engagement in dual training has proven effective to maintain a steady pool of skilled professionals ready to address the industry's needs.*

# DEEPENING THE COLLABORATION OF TVET SCHOOLS WITH BUSINESS AND INDUSTRY

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# INDUSTRY LINKAGE MANAGERS AND COORDINATORS AT CITE TECHNICAL INSTITUTE, PHILIPPINES



*Recommendation 41: Appoint TVET school personnel to serve as focal persons for the cooperation with business and industry.*

The Center for Industrial Technology and Enterprise (CITE) Technical Institute employs an industry linkage manager and several coordinators as focal points for involving business and industry in its TVET training programme.

## CITE: an advocate of dual training

The CITE Technical Institute is a private, non-profit training institute, established in 1990 in Cebu in the Central Visayas region of the Philippines. CITE offers three-year diploma programmes in engineering. They are delivered under the Philippines' Dual Training System (DTS), combining theoretical and practical training. Programmes consist of classroom-based training and 15 months of in-company work experience.

As part of the DTS, CITE is required to develop training plans jointly with all its partner companies. The alignment of curricula ensures that students

acquire basic vocational skills before they move to the company training part of their studies.

Memoranda of Agreement between CITE and each of its private sector partners underline their long-term commitment to cooperation in the provision of dual training.

In accordance with the Philippines' Dual Training System Act, partner companies partially cover the allowances for CITE's 600 students in addition to providing them with practical training.

## Success factor: professional management increases quality of dual training

CITE works in partnership with companies to deliver the training for its 600 students and has therefore set up a dedicated department with 10 staff members to manage its links with business

and industry. The department is headed by an industry linkage manager, who is supported by industry coordinators.

*Strengthening a technical college's industry linkages requires time and commitment.*

The industry linkage manager

- encourages business and industry to engage in CITE's dual training programme
- designs and reviews curricula together with companies according to their needs
- draws up training plans in collaboration with training coordinators at partner companies
- organises immersion courses in industry for CITE trainers

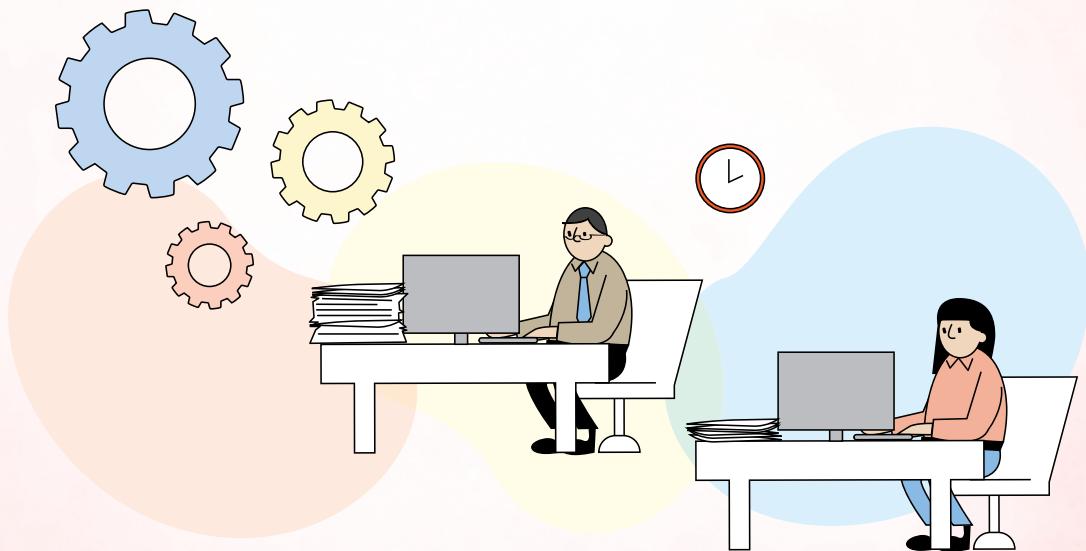
- delivers in-company trainer courses to train coordinators at partner companies
- evaluates the training programmes.

CITE's industry coordinators are responsible for

- monitoring and assessing the quality of the CITE training programme
- delivering the training plan
- updating the DTS logbook for each student
- safeguarding compliance with dual training regulations
- making monthly visits to partner companies
- reviewing each student's industry placement
- conducting performance reviews
- conducting programme evaluations for students and companies
- ensuring that curricula reflect company and student needs.

# INTENSIFYING RESEARCH ON TVET AND FUTURE SKILLS NEEDS

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# NATIONAL SKILLS INFORMATION SYSTEM, PAKISTAN



*Recommendation 42: Develop skills information platforms to make information about the supply and demand of skills publicly accessible online.*

SkillingPakistan.org is a website which provides country-wide labour market information with a special focus on TVET and skilled labour.

## Objective: providing TVET stakeholders with relevant data

The National Skills Information System (NSIS) is a single window solution for a wide range of stakeholders, including students, job seekers, employees, TVET institutions, employers, industry, trade associations, government departments, international organisations and non-governmental organisations.

Managed by the National Vocational and Technical Training Commission (NAVTTTC), the NSIS currently holds data for 650,000 job seekers, 38,000 industries and 4,080 TVET institutes and aims to

- provide updated and disaggregated skills information from both a demand and a supply perspective, which is relevant for employment counselling, career/vocational guidance, placement services and the development of national competency standards,
- provide timely and accurate demand and supply information and analysis to TVET planners, training institutions, industry, academia, students and the general public,
- establish and facilitate career/vocational guidance and placement services for TVET graduates and potential employers, and
- provide evidence-based guidance for policy formulation and implementation.





The information is both descriptive (qualitative) and statistical (quantitative) and covers various aspects of TVET, such as market demand, required skills, job vacancies, job seekers' data, enrolments, drop-outs, national competency standards, school to work transition, and duration of job searches.

### Data collection: capturing TVET supply and demand

The NSIS is linked with all TVET training institutions and assessment centres through management information systems operated by Qualification Awarding Bodies (QABs). This allows TVET providers to submit information about their infrastructure, departments, training courses, enrolments, certification schemes, etc.

Labour market demand data are collected on a regular basis using job vacancies published in newspapers and online, overseas jobs data collected by Pakistan's Bureau of Emigration and Overseas Employment, and employee skills surveys from the informal sector, which comprises

around 70% of Pakistan's labour market. Like any database, the usefulness of the NSIS depends on the quality and timeliness of the information it contains. This makes setting up and operating a system of this kind relatively expensive. To reduce operating costs, NAVTTC is developing an app which digitalises data collection and thus makes the NSIS more financially viable.

*In contrast to labour market information systems in other countries, the NSIS has a unique focus on TVET and skills.*



IMPLEMENTING THE FUTURE ASEAN AGENDA FOR TVET



