Annex 2: The Policy Options Determining Operations of Public Training Centres

THE POLICIES AND STRUCTURES DETERMINING OPERATIONS OF PUBLIC TRAINING CENTRES

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PRINCIPAL FACTORS DETERMINING PTC’s OPERATIONS
– DEMAND FOR SKILLS IN THE SOCIETY AND THE LABOUR MARKET
– GOVERNMENT ADMINISTRATION POLICIES ON PUBLIC EDUCATION AND TRAINING
– NATIONAL VOCATIONAL TRAINING POLICIES
– PTCs’ STRUCTURES AND CAPABILITIES

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PART I: DEMAND FOR SKILLS IN THE SOCIETY AND THE LABOUR MARKET
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– MODELS OF SKILL TRAINING AND EMPLOYMENT PREFERRED BY EMPLOYERS
– SOCIAL PRESTIGE OF VOCATIONAL SKILLS
– MARKET ACCEPTANCE OF NON-PROFESSIONALISM
– INCENTIVES FOR SKILLS ACQUISITION (SKILL LEVEL - WAGE LEVEL)

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– STRUCTURE OF TRAINING SYSTEM
– CONFIGURATION OF TECHNICAL SUPPORT SERVICES
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  – OPERATIONAL AND FINANCIAL AUTONOMY
– MANAGEMENT MODEL IN THE PUBLIC EDUCATION AND TRAINING SECTOR
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CONCEPT OF PUBLIC TRAINING SERVICE

- CONCEPT OF PUBLIC SERVICES:
  - As part of social service distribution system offered to eligible beneficiaries
  - As an efficient government undertaking providing competitive services to citizens

- DELIVERY OF PUBLIC SERVICE:
  - Solely by public training system
  - Financed by government but delivered by public and private providers

- IMPLICATIONS TO PTCs:
  - Expected level of operational efficiency and flexibility
  - Relevant skills and incentives

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STRUCTURE OF TRAINING SYSTEM

- INITIAL VET INSTITUTIONS
  - Offer a mix of educational and vocational subjects
  - Many graduates continue into further education
  - Skill training courses often do not reflect job market requirements

- LABOUR MARKET TRAINING CENTRES
  - Train school drop-outs and unemployed
  - Provide mostly job-related training

- TRAINING CENTRES SUPERVISED BY DIFFERENT MINISTRIES

- IMPLICATIONS TO PTCs:
  - Lack of coordination between training systems and institutions
  - Overlap of courses/certificates
  - Configuration of technical support services

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SUPPORT SERVICES INVOLVE:

- Vocational qualifications development
- Course design and curriculum development
- Teacher training
- Testing and certification
- Quality assurance

SUPPORT SERVICES CAN BE PROVIDED BY:

- Ministry
- Autonomous professional bodies
- Training centres themselves

IMPLICATIONS TO PTCs:

- If services are centralized, PTCs have no say
- If services are decentralized, staff need to be trained
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MANAGEMENT ARRANGEMENTS REGARDING PTCs

- **OPTION I:**
  - TRAINING INSTITUTIONS ARE DIRECTLY ADMINISTERED BY GOVERNMENT AGENCIES/ MINISTRIES

- **OPTION II:**
  - AUTONOMOUS TRAINING INSTITUTIONS

- **IMPLICATIONS :**
  - DIFFERENCE CAN BE ENORMOUS IN THE NEED FOR MANAGEMENT KNOWLEDGE, PROFESSIONAL SKILLS, FREEDOM AND FLEXIBILITY

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PTCs DIRECTLY ADMINISTERED BY GOVERNMENT AGENCIES

- HIGH CENTRALIZATION : IMPORTANT DECISIONS MADE OUTSIDE PTCs

- STAFF ARE CIVIL SERVANTS WITH HIGH EMPLOYMENT SECURITY AND OFTEN LOW COMMITMENT

- NO OR LIMITED FREEDOM IN GENERATING AND MANAGING REVENUES

- CHRONIC UNDER FUNDING

- OPERATIONAL COSTS AND EFFICIENCY MAY HAVE LITTLE IMPORTANCE

- LOW OPERATIONAL FLEXIBILITY IN LAUNCHING NEW COURSES, ETC.

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AUTONOMOUS TRAINING CENTRES

- REGISTERED AS PUBLIC CORPORATIONS

- ADMINISTERED BY THEIR MANAGEMENT BOARDS APPOINTED BY GOVERNMENTS

- OPERATE WITHIN GOVERNMENT-OUTLINED FINANCIAL AND ACCOUNTABILITY FRAMEWORK

- MANAGEMENT BOARDS EMPLOY CEO, STAFF ARE EMPLOYED BY CEO

- OPERATE THROUGH SERVICE CONTRACTS SIGNED WITH GOVERNMENT AGENCIES

- LAND, PREMISES AND EQUIPMENT FOR EFFICIENT MANAGEMENT

- OFFERED SPECIFIED FREEDOM TO GENERATE AND MANAGE REVENUES

- GIVEN FULL ACADEMIC FREEDOM

- FOR PUBLICLY FUNDED COURSES COMPLY WITH TRAINING OBJECTIVES AND QUALITY REQUIREMENTS

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CHALLENGES OF AUTONOMOUS PTCs

- CHANGE IN THE MANAGEMENT CULTURE

- CAPABILITY TO OPERATE AS AN AUTONOMOUS INSTITUTION

- COMBINE PUBLIC AND INSTITUTIONAL (PRIVATE) INTEREST

- COMBINE FULL-TIME AND PART-TIME STAFF
- COMPETE IN THE SERVICE MARKET
- RECEIVE AND MANAGE PROPERTIES AND REVENUES APPROPRIATELY
- DEVELOP HIGH QUALITY PROFESSIONAL AND TEACHING STAFF

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TRENDS IN STRUCTURING VET SYSTEMS
- MINISTRY’S ROLE IN MANAGING VET OPERATIONS REDUCED; THEIR ROLE IN POLICY DEVELOPMENT STRENGTHENED
  - TECHNICAL SUPPORT FUNCTIONS SHIFTED FROM MINISTRIES TO SEPARATE BODIES
  - AUTONOMOUS LABOUR MARKET TRAINING AGENCIES SET UP WHICH OPERATE TRAINING CENTRES
  - NATIONAL/INDUSTRY TRI-PARTITITE TRAINING COUNCILS SET UP AS ADVISORY BODIES
  - PUBLIC VET PROVIDERS CONVERTED INTO SELF-MANAGED INSTITUTIONS

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MANAGEMENT MODEL IN THE PUBLIC SERVICE SECTOR
- TARGET SETTING (STRATEGIC MANAGEMENT VERSUS REPETITIVE OPERATIONS)
- PLANNING OF TRAINING DELIVERY
- PLANNING OF TRAINING SYSTEM’S DEVELOPMENT
- FINANCING SCHEMES
- PERFORMANCE AND EFFICIENCY MEASUREMENT
- ACCOUNTABILITY AND REPORTING REGIME

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STRATEGIC MANAGEMENT
- DEFINING A MISSION STATEMENT (MAJOR OBJECTIVE) FOR THE TRAINING SYSTEM
- MANAGEMENT EVALUATION OF TRAINING SYSTEM
- DEFINING NATIONAL PRIORITY TARGET GROUPS
- SETTING UP NATIONAL TRAINING TARGETS
- PRODUCING DEVELOPMENT SCENARIO (STAGES, STRATEGIES, ETC.)
- PLANNING AND IMPLEMENTATION
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APPROACHES TO PLANNING OF TRAINING DELIVERY
- STUDENT DEMAND-DRIVEN PLANNING LINKS VET COURSES TO THE STUDENT PRIORITIES
- LABOUR MARKET SIGNALS-BASED PLANNING LINKS VET DELIVERY TO THE JOB VACANCIES AND INDUSTRIAL PROJECTS
- STRATEGIC PLANNING LINKS VET DELIVERY PLANS TO ANTICIPATED LONG-TERM ECONOMIC AND HRD NEEDS
- VET PLANNING DECISIONS INVOLVE:
  - LISTING TRAINING PROGRAMMES WHICH WILL BE PUBLICLY FINANCED
  - EXPANSION/REDUCTION OF ENROLMENTS ON CERTAIN COURSES AND FOR PRIORITY GROUPS
  - SPECIFYING OUTPUTS (TYPES/LEVELS OF QUALIFICATIONS TO BE PRODUCED)

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FINANCING TRAINING CENTRES
- FUNDING AS DISBURSEMENT:
  - FUNDING PER SCHOOL RATHER THAN PER RESULTS AND PLANS
  - ASSUMES LOW ACCOUNTABILITY OF TRAINING MANAGERS
- OUTPUT-BASED OR PERFORMANCE-BASED FUNDING
  - DIRECT INSTITUTIONS’ PERFORMANCE AND OUTPUTS TOWARDS CERTAIN PRIORITIES AND TARGETS
- EACH FINANCING SCHEME:
  - SENDS CERTAIN SIGNALS TO TRAINING INSTITUTIONS
  - INSTITUTIONS RESPOND TO IT IN THE WAY IT WOULD BENEFIT THEM THE MOST

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PERFORMANCE -BASED FUNDING
- ENROLMENT - BASED FUNDING
  - ENCOURAGES PROVIDERS WHICH ATTRACT AND RETAIN MORE STUDENTS
  - PROMOTES LOW-COST COURSES RATHER THAN EXPENSIVE ONES
  - RESULTS IN SELECTING MORE CAPABLE STUDENTS
- DIFFERENTIATED GRANTS PER STUDENT IN DIFFERENT COURSES
  - COMPLEX AND MORE EXPENSIVE COURSES CAN BE ASSIGNED HIGHER FUNDING RATES PER STUDENT
  - PRIORITY COURSES CAN BE PROMOTED
- FINANCING NATIONAL TARGET GROUPS
  - SPECIAL ENROLMENT-BASED GRANTS OFFERED PER STUDENT BELONGING TO PRIORITY GROUPS (DISADVANTAGED)

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OUTPUT-BASED FUNDING OF PTCs
- ADDITIONAL GRANTS LINKED TO THE PERCENTAGE OF GRADUATES WHO ACCOMPLISHED COURSES WITH CERTIFICATES, AS WELL AS TO THE LEVELS OF CERTIFICATES;
- ADDITIONAL GRANTS LINKED TO THE PERCENTAGE OF GRADUATES WHO FIND JOBS AND REMAIN EMPLOYED FOR A CERTAIN PERIOD OF TIME
  - MOSTLY APPLICABLE TO LABOUR MARKET TRAINING PROGRAMMES
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VET ADMINISTRATORS' PROFESSIONAL MANAGEMENT SKILLS
- IDENTIFYING AND PRIORITIZING PUBLIC DEMAND FOR VET SERVICES
- STRATEGIC MANAGEMENT SKILLS
- MEASURING VET SYSTEM's PERFORMANCE, OUTPUTS AND OUTCOMES AND INCORPORATING IT INTO MANAGEMENT DECISIONS
- MANAGING EQUITABLE ACCESS TO TRAINING SERVICES
- DEVELOPING INCENTIVES FOR PTCs TO OPERATE FLEXIBLY AND EFFICIENTLY

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PART III: TRAINING SYSTEM'S POLICY FRAMEWORK/1
- PRINCIPAL ASSUMPTIONS REGARDING WHAT VET CAN AND WHAT IT CAN NOT DO
- VET SYSTEM'S MISSION STATEMENT (TO WHAT PUBLIC NEED SHOULD THE VET SYSTEM RESPOND?)
- GOVERNMENT'S AND SOCIAL PARTNERS' RESPONSIBILITIES FOR VET
- CITIZENS' RIGHTS TO PUBLIC VET SERVICES: PRINCIPLES OF DISTRIBUTION, ELIGIBILITY AND CONDITIONS, EQUITY
- EDUCATION AND TRAINING AGENCIES
- PRINCIPAL TYPES OF PUBLIC VET PROVIDERS; RULES FOR ESTABLISHMENT AND ACCREDITATION
- ROLE AND RULES FOR PROPRIETORY TRAINING

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TRAINING SYSTEM'S POLICY FRAMEWORK/2
- VET PRIORITY AREAS AND TARGET GROUPS
- CONCEPT OF LEARNING (CONTINUING, ON THE JOB, DISTANCE, MODULAR)
- PRIORITIES OF THE VET SYSTEM'S DEVELOPMENT
- REQUIREMENTS FOR VET INSTRUCTORS
- CONCEPT OF VET QUALIFICATIONS (NATIONAL/SECTORAL; KNOWLEDGE-BASED OR COMPETENCE-BASED)
- NATIONAL CURRICULUM FRAMEWORK (OBLIGATORY/OPTIONAL SUBJECTS; FOUNDATION/JOB SPECIFIC SKILLS)
- CONCEPT OF SKILL ASSESSMENT AND CERTIFICATION
- CONCEPT OF TRAINING QUALITY ASSURANCE

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VET POLICY IMPLEMENTATION MECHANISM
- BEAUTIFUL POLICY STATEMENTS ARE NOT ENOUGH
- IMPLEMENTATION MECHANISM TO BE ESTABLISHED
- NATIONAL TRI PARTITE VET COUNCILS TO BE IN CHARGE OF POLICY DEVELOPMENT AND IMPLEMENTATION
- POLICY IMPLEMENTATION TO BE PART OF THE NATIONAL VET DEVELOPMENT SCENARIO
- POLICIES TO BE EVALUATED AND REFINED OVER TIME
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PART IV: PTCs' STRUCTURES AND CAPABILITIES/1
– PTCs USUALLY HAVE VERY SIMILAR CENTRALLY DETERMINED STRUCTURES
– SOME LARGE CENTRES MAY HAVE SPECIALIST UNITS WORKING ON CURRICULUM DEVELOPMENT, TESTING STUDENTS, ETC.
– TEACHING STAFF MAY MAINTAIN A LOT OF AUTONOMY, PRINCIPALS HAVE PROBLEMS TO COMPLY WITH RULES
– NATIONAL STANDARDS CAN BE SET FOR VTC BUILDINGS, EQUIPMENT, STAFFING, AND RESOURCE LEVELS
– IMPLEMENTATION OF RULES ASSURED BY CENTRAL INSPECTORATES

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PTCs’ STRUCTURES AND CAPABILITIES/2
– CENTRAL STANDARD CURRICULUM
– QUALITY OF INSTRUCTORS
– FREEDOM AND CAPABILITY TO LAUNCH NEW COURSES
– FREEDOM OF PLANNING ENROLMENTS
– OFFERING SHORT AND LONG COURSES
– HANDLING FULL-TIME AND PART-TIME STUDENTS
– FUNDING LEVELS AND SCHEMES
– EFFICIENT RESOURCE UTILIZATION

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POTENTIAL FOR PTCs IMPROVEMENTS
– MANY ACTIVITIES ARE PRE-DETERMINED BY GOVERNMENT
– SENIOR VET ADMINISTRATORS NEED CONTINUING UPGRADING IN POLICY AND MANAGEMENT OPTIONS
– PROVIDERS OF TRAINING SUPPORT SERVICES NEED REGULAR UPGRADING
– PTCs’ IMPROVEMENTS DEPEND ON CAPABILITIES AND COMMITMENT OF THE PTCs’ STAFF
– PTCs’ DIRECTORS NEED MANAGEMENT TRAINING
– TEACHERS NEED REGULAR UPGRADING

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ENABLING LEGISLATION FOR AUTONOMOUS TRAINING CENTRES/1
– STATE SECTOR ACT PROVIDES FOR:
– CEO OF THE INSTITUTION BEING AN EMPLOYER OF ALL STAFF
– THE COUNCIL OF EACH INSTITUTION BEING AN EMPLOYER OF CEO
– PUBLIC FINANCE ACT PROVIDES FOR:
– LISTING TRAINING INSTITUTIONS AS GOVERNMENT OWNED
– STATEMENT OF INTENTIONS
– OUTLINE OF FINANCIAL STATEMENTS, ACCOUNTING, ETC.

EDUCATION ACT:
– PROVIDES VET INSTITUTIONS WITH NECESSARY ACADEMIC AND OPERATIONAL FREEDOM
– DEFINES NATIONAL INTERESTS IN VET