

## 5. THE RELATION BETWEEN TRAINING BODIES AND LOCAL ECONOMIC DEVELOPMENT PROCESSES<sup>36</sup>

The training of the human resources in a region is in no way a subject of minor importance. Specialised labour markets provide enterprises with more options, and they make certain places more attractive even when there is tough competition for human resources in those areas. When the time comes for enterprises to make decisions about expansion and where to locate production, they generally put the presence of a specialised labour pool in first place on the list, ahead of other factors.

Consequently, it is interesting to ask what work training centres should do to optimise and train local human resources. The first question here is what competencies and objectives the training centres have, and must have, and whether these should serve in a universal way for all students and for all industries, or, on the other hand, whether training should be focalised. Training centres can provide general competencies and basic courses that are applicable to a wide range of occupations but they cannot do this with the same intensity of learning for each of those occupations. The centres must always make choices about what to teach, and these choices are generally based on the needs of enterprises, the demands of students, and the interests of authorities and teachers. Centres which give priority to meeting the demands of enterprises necessarily choose to focus on those sectors which are most developed in the region. There are only a few centres which usually meet the needs of a region. What is more, despite providing general or basic courses, the training centres have to take strategic decisions about which specialised programmes to offer.

In addition, from the State point of view, if there is large scale manifest or potential demand in a specific region, making above-average investment to strengthen private training centres is an adequate task.

<sup>36</sup> The base that was taken for analysing these questions was the *White Paper* 'Cluster-Based Workforce Development: A Community College Approach', by Regional Technology Strategies, INC (RTS), April 2003, available at [www.rtsinc.org](http://www.rtsinc.org)

The mission of the centres is defined by the community which they serve. It is true, especially in times of budget cuts, that centres have to thoroughly justify the way the resources allocated to them are used. However, this obligation does not stop the centres and the enterprises they serve negotiating agreements which specify the roles and responsibilities of both parties, resulting in relations that benefit students, enterprises and the community. But in these agreements what always has to be borne in mind is the specific regional context and the individual characteristics of the area. In any case, training centres always have a role to play in regional economic development and many of them can assume responsibility for filling gaps in the labour market in the regions where they operate.

### **Community-based training in national training systems**

Between 5 and 9 May 2003, a workshop called “Integrating Community-based Approaches to Employment Promotion into National Training Systems” was held in Kingston, Jamaica. It was jointly organized by HEART Trust/NTA of Jamaica and the International Labour Organisation (ILO).

In the background and reasons for holding the workshop, emphasis is put on the well known and documented fact that local and national economies can be enhanced by promoting the self-employment potential of people. Implementing this recognition through specialized activities associated with occupational and entrepreneurial skills has been the thrust of community-based approaches to employment promotion and, in particular, Community-Based Training (CBT).

The general aim of the workshop was the development of participants as facilitators with the necessary skills to develop the capacity to replicate and integrate community-based training strategies into their national vocational training system or training organization.

Other workshop objectives supporting the immediate objective were to assess the relevance and suitability of the CBT approach in terms of content and presentation of individual steps in the planning, delivery and follow-up process; adaptability of the CBT manuals and training delivery procedures; organizational aspects and implementation strategy; institutionalization of the methodology in local training institutions; and mainstreaming the gender perspective in promoting employment activities.

The workshop was structured in three phases. In the first, CBT experiences from Jamaica, Belize and Guyana were presented, and different aspects of how CBT has been managed in the national training systems in those countries were outlined. The second phase dealt with how CBT has been conceptualised in the framework of the ILO and included a presentation of didactic materials prepared by that organisation, and a description of a series of ILO projects in different parts of the world in which CBT was implemented. The third phase of the workshop opened with a presentation by a Cinterfor/ILO representative about successful CBT experiences in Latin America. This focused on an analysis first of the possibility and then of the mechanisms by which the national training systems in the countries represented would be able to incorporate and adapt the methodological guidelines and the didactic materials of CBT strategy that had been developed by ILO.

At the end of the workshop the participants made their evaluations of how far the objectives that were set at the start had been achieved, and these evaluations were very positive. Plans were made for future action to increase the capacity of the institutions represented to develop CBT strategies in their respective countries.

More information about the event and documents about CBT experiences in Latin America can be found at:

<http://www.cinterfor.org.uy/public/english/region/ampro/cinterfor/conf/2003/cbt/index.htm>

When there are specialised centres in an area as well as other training centres it is important that the latter should be able to accede to the information and innovative capacity concentrated in the specialised centres through networks of cooperation and exchange. If the cost of developing specialised centres turns out to be very high, the State may consider resorting to cross subsidies. The key element here is that the training bodies should not be competing against each other for the same markets. The best solution is to determine which markets make sense for which institutions. In some regions there might be concentrations of enterprises oriented to the same kind of production or services but located in different places. In situations like this the centres in different places could cooperate. Consequently, all the centres would be able to use the curricula, standards of competency, and methods for evaluating the needs and connections with industry that

have been developed by any other centre. Any innovation would not belong to any particular centre, it would belong to the regional training system as a whole.

In many regions there may be groups of industries that are not on a large enough scale, or do not have the necessary degree of concentration, to satisfy the criteria established for recognising enough productive specialisation to be called a cluster or other kind of specialised regional economic configuration. What is more, there may be activities that do not satisfy the income expectations of the community. But productive networks are not 'things', they are systems that are inter-dependent and have collective interests in the framework of an economy which offers a logical form of organising and providing services. In rural areas, for example, training centres may wish to expand the coverage they provide to include nearby places, to seek connections (umbilical cords) with productive networks in adjacent areas, or perhaps to consider support for micro and small enterprises and micro clusters which may have a unique configuration of competencies. Likewise, in places that have weak relational systems, treating the economy as a single system may be more beneficial than dealing with people or entrepreneurs on an individual basis.

One final important question is whether specialisation might undermine the ability of the people who do the courses to adapt themselves to different labour conditions, and thus become a disadvantage. If specialisation is seen as the simplest and most effective way of teaching competencies that can be generalised, it is not a threat. Much of the teaching that follows curricula geared to one particular family of occupations consists of competencies that are general and can be transferred and be of value in other occupations. But the specific applications which are used in the training process are connected to the initial choice of career that the people make, in the context of the geographical area and the local network of production. In a certain time frame the students can gain experience, complement their competencies, and, with additional courses, be able to transfer them to other applications. Specialisation improves their possibilities of a career in that it facilitates entry and gives the young people experience and confidence to face the subsequent changes. The recent trend is to approach education and training as long processes in which people are continually re-trained for new tasks and develop new groups of competencies. The vision of a one-dimensional process moving from basic knowledge to more technical competencies is rapidly being replaced by the perspective of much more interactive and lateral processes.

### **Industry clusters and occupational clusters**

Industry clusters stem from common economic interests and needs while occupational clusters arise through common skill sets. These common skill sets are shared by many industry clusters; at the same time the workforce of any given industry includes many such occupational clusters. But learning around industry clusters is based on a business environment context that is common to all occupations within the cluster. The uniqueness of industry clusters is context; the uniqueness of occupational clusters is content. The question the college will address for a variety of occupations that exist within a cluster is “what are the features of this workplace that are unique or particular to the cluster?” For example, the furniture industry, the aerospace industry, and the automobile industry all have employees who are called Computer-Aided-Design operators. But the specific nature of their jobs is quite different between these diverse industries.

The situation outlined above raises the question of whether specialized centres can create local economic development or generate the conditions that allow it to exist. Most of the evidence says clusters cannot be created out of whole cloth. They require a solid foundation either embedded in existing companies, local expertise, or some special resources. However, the intervention of an organization such as a new center can influence the development of clusters. The formation of the world’s largest clusters occurred over long periods of time—usually many decades. They were unplanned and often unnoticed until they reached a level activity that attracted attention. Most have been historical accidents, though some stem from natural resources. However, despite the vagaries of historical industrial development, if some core strengths exist, it may be possible to leverage that strength into something larger and eventually reach a scale that will draw the various factors associated with clusters. Institutions can catalyze and promote existing specialization, but rarely can create it.

*Source:* Cluster-based Workforce development..., op. cit.

