

Skills for
Trade and
Economic
Diversification

▶STED▶

Project

Countries at all levels of development are finding that adequate education and skills can improve the employability of workers, the productivity of enterprises and the inclusiveness of economic growth. The Malawian Government acknowledges this fact and has through the National Exports Strategy (NES) put in place a broad framework to help address skills gaps needed to enhance the export competitiveness and productivity of economic sectors that have been prioritized for export development. This broad framework includes application of the Skills for Trade and Economic Diversification (STED), a methodology developed by the International Labour Organization (ILO) to help its member Countries to identify and anticipate skills needed to build more productive base. The NES indicates that the low skills base is one of the main factors constraining Malawi from moving from a predominantly importing country to an exporting country. The recent Diagnostic Trade Integrated Study (DTIS) update identifies the limited availability of higher-level skills and professional services as a constraint in diversifying Malawi's export base away from dependence on agricultural commodities.

Ms. Naomy K. Lintini, Chief Technical Advisor for the STED Project explained that the ILO was in collaboration with the Ministry of Labour and Manpower Development implementing a STED Project designed to support identification of skill needs in two of the sectors prioritized in the NES, with the view to help build the country's productive base that can

accelerate growth of good quality products and services using skills as a driver of change to move from lower to higher productivity through expanding accessibility of quality training.

She stated that the 18-months STED Project which started in January this year (2015), is using analytical research and social dialogue to identify skill gaps along the Oil seeds and Horticulture value chains and to secure consensus on how these skills gaps can be addressed. The Project is also helping build institutional capacity for increased involvement of employers and workers engagement in designing responsive training.

The overall objective of the STED Project is to contribute towards increased competitiveness and decent work creation capacity of selected export sectors by supporting integration of skills development in sectoral



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International Labour Organisation (ILO) IMPLEMENTS SKILLS FOR TRADE AND ECONOMIC DIVERSIFICATION PROJECT



BY EMILY NKHAMBULE

policies.

"It is a research based approach that is designed to support growth and decent employment creation in sectors that have the potential to increase exports and contribute to economic diversification. It was implemented after the Government observed that it is lacking skills for import substitution for the diversification of its

economy," she said.

Ms. Lintini explained that in 2013, the ILO, conducted an Enabling Environment for Sustainable Enterprise (ESEE) assessment whose findings included that the skills development system is not well aligned to industry needs and economic growth projections according to employers and a School to Work Transition survey (2013) which highlighted

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skills mismatch as one result of this poor alignment.

Based on these and other findings from previous research, the STED Project, has partnered with another ILO Project, "Work4Youth" to pilot an action research intervention known as Work in Integrated Learning (WiL), to help generate lessons and experience on how a training approach that can produce "hands-on graduates" who meet industry competency needs. The pilot intervention is expected to produce the evidence base needed for subsequent policy discussions and strategic decision making on how to integrate needs of industry to training systems.

Mr. Gift Mabvumbe, the STED Project National Programme Coordinator, highlighted that the key partners to the WiL interventions are the Employers Consultative Association of Malawi (ECAM) and its members, the Ministry of Labour and Manpower Development, and the TVET system (TEVET Authority and Training Institutions).

"The main beneficiaries of the WiL pilot are the training institutions and the industry but we are focusing on the employer's perspective since the training system is not matching with the industry's needs according to employers. Our job is to help identify and bridge the gaps so that training institutions produce hands-on graduates that meet industry competency demands," he said.

Mr. Mabvumbe explained that some of the activities to be undertaken involve stakeholder consultative discussions, curriculum development, course design and training material development, training of trainers among others.

The STED Project is funded by the Swedish International Development Agency (SIDA) and is being implemented in Malawi, Myanmar and Cambodia.

The Malawi Project will initially be implemented as an 18 months pilot during



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which period the ILO partners and stakeholders will work together with the tripartite work to mobilize additional resources for a longer term STED Programme.

“ WIL is a strategy designed to produce hands-on graduates that meet industry competency demands. It tries to bridge the gap between theoretical technical education provided by training system and practical skills demanded by the industry to improve the employability and performance of the students ”