SUMMARY of the event

ILO Webinar on Promoting Industry-led Skills and TVET Systems in Asia: The Role of Sector Skills Councils

The regional webinar took place on 29 September with 247 participants including ILO constituents and relevant partners in five countries—namely the Philippines, Indonesia, Malaysia, Cambodia and Vietnam. The webinar aimed to introduce representatives of government and employers and workers' organizations to sectoral approaches to skills development with a focus on the role of Sector Skills Councils (SSCs) or equivalent. For this, four speakers presented best practices associated with the establishment and operation of sector skills bodies in the United Kingdom, India and Denmark, providing key insights and lessons learned regarding SSC membership, structure, funding, functions and their contribution to improving skills and workforce development.

The webinar was organised by two regional ILO programmes—the Skills for Prosperity in Southeast Asia Programme (SfP-SEA) funded by the UK government and the Industry Skills for Inclusive Growth (InSIGHT-2) project funded by the government of Japan.

As the webinar moderator, Ms **Akiko Sakamoto, ILO Regional Skills and Employability Specialist** stressed in her introduction on the importance of making TVET systems more relevant to industry with the objective to address the issues of skills mismatch and unemployment. The webinar aimed to share international best practices on how having functional and effective sector skills bodies might contribute to solve these skills development issues. The implementation of sector skills councils (SSCs) is somehow new in Southeast Asia and therefore there is a lot of confusion about its role and responsibilities, institutional set-up and working methods. Ms Sakamoto hoped the webinar would shed light on these questions and help the ILO constituents and partners when anticipating sector-specific skills needs and ultimately addressing skills gaps.

Following Ms Sakamoto's remark, representatives from the UK government and the government of Japan welcomed participants and delivered welcome remarks.

Mr Kebur Azbaha, Counsellor, Head of Prosperity and Economics Team of British High Commission Malaysia, said the Skills for Prosperity in Southeast Asia programme aims to deliver positive outcome for employment and economic growth in Southeast Asia, prioritizing technical assistance to Malaysia, Indonesia and the Philippines. The mismatch between skills demand and supply continues to challenges the labour market with varying degrees depending on countries, sector context and economic cycles. Today, these challenges were further stressed by the COVID-19 pandemic. Industry feels the consequences of the pandemic, with less demand, cautious consumption resulting in less output which impact recruitment and retention of workers. The most vulnerable workers are hit first and hard. Therefore, according to Mr Azbaha, involving industry at all levels of skills development is fundamental to increasing industry relevance of technical and vocational training and education. He said he was expecting the webinar would help countries in the region to learn from relevant international experience including from the UK to tackle some of these persistent issues of skills supply and demand mismatch.

Mr So Shudo, Chief Technical Advisor of ILO-Japan multi-bilateral programme, who represented Japan's Ministry of Health, Labour and Welfare, emphasised on the Japanese government's long-time support for ILO skills development work in Asia for several decades. In recent years, the target countries for their assistance are the Philippines and Indonesia. One aspect of the InSIGHT-2 project's work is to enforce the use of Information and Communication Technology as the main platform for delivery of good practice and sharing knowledge. With the unexpected COVID-19 pandemic, the planned methodologies including the use of webinars is now exerting its usefulness for several months, he said.

The presentation from the four speakers started with Mr **Paul Comyn, ILO Senior Skills and Employability Specialist**, who introduced to the audience the concept of sector skills bodies, including what these bodies might do and look like. The ILO has supported the development of different types of sector skills bodies in at least 10 countries recently and Mr Comyn highlighted how the SSCs in particular contribute to improve the governance of skills development systems by increasing industry engagement.

Mr Comyn said TVET and skills systems governance is complex because it involves multiple sectors and actors. Thus, the sectoral approaches aim to improve the governance and coordination between those stakeholders within each sector. Improvements in the governance and coordination can close the gaps between skills development and industrial, trade, technology and environmental policies, between the demand and supply for skills and between training providers and employers at sectoral level. At the same time there is different capacity between education/training institutions as well as different level of interests among the private sector and development partners, which challenges the development of national skills policies

Mr Comyn shared a number of relevant examples of sector skills bodies established in many countries, emphasising that these bodies do not always have the same names or functions or the same level of autonomy between government and the private sector. Although there is a whole range of different characteristics among sector skills bodies its core business is to provide advice to the government on skills needs, sector priorities, development of competency, skills or occupational standards, curriculum development, and policy advice to key public and private stakeholders.

He highlighted that sector skills bodies in different countries vary in terms of industry coverage, focus, mandate, members, structure, funding and their institutional relationships with other organisations or systems. There's a lot of variation in the world of skills sector bodies. So he urged participants to think about what could be a combination of a desired characteristic of a sector skills body they would like to have. He encouraged the audience to look at skills issues that the stakeholders in that sector think need to be addressed and so that a SSC in that sector needs to be given a mandate to address such issues.

He pointed out that there are differences in terms of institutional structures. There is no single bullet, and there's no standard model, he said. The fact that they've maintained their presence in many countries suggests that SSCs can deliver, can address the core issue of industry engagement and can strengthen skills system at the national level.

Ms Jane Rexworthy, Executive Director of People 1st International Skills in the United Kingdom, introduced the audience to the UK sector skills council model. In the UK, sector skills bodies were established to identify skills gaps, develop and improve standards and drive employment investment in skills. To do that, they have common structures and were set up with an employer-led governance board, as a not-for-profit or charity organisation. The SSCs in the UK provide demand-led solutions and links between government, industry and TVET providers. These bodies have been self-sustainable without government funding since 2004. The councils offer solutions in response to demand and supply of skills and provide inputs for policy change. In addition, the SSCs developed apprenticeship frameworks/standards and provide apprenticeship quality assurance and certification as well as developed qualifications with awarding organisations. In the UK model the SSCs collaborate with public and private training providers to support quality assurance of the trainers and ensure programmes are demand-led.

Describing the role of SSCs in the UK, Ms Rexworthy shared examples of how they have operated during the time of COVID-19 and the lockdown, including their role providing labour market insights and offering platforms for dialogue for the industries skills development needs and challenges. According to Ms Rexwhorthy, their role on workforce planning support has changed considerably since the pandemic, which resulted in a huge number of job losses, and so they work now on providing upskilling and reskilling opportunities for people to move across sectors. During the pandemic, the SSCs also contributed to the development of national occupational standards and provided e-learning opportunities to support industry reopening their businesses.

She presented an overview of the UK SSCs and pointed out that in the past 10 years a number of national skills academies have been developed to further support the industry in developing skills.

Ms Rexworthy walked the audience through the role of People 1st International Skills which is an employer-led boards & networks who create annual action plans for skills development across sectors in the UK. The organisation has developed apprenticeship frameworks and professional standards. They provide quality assurance and accreditation for networks of training providers. They also provide consultancy and training on skills solutions. They work in around 4 different countries providing support on sustainable skills models, and the development of TVET strategy and policy

On financial models, Ms Roxworthy emphasized that during the set-up process all SSCs need to have some form of funding. To ensure self-sustainability without government funding, they had to find a number of financial models. She exemplified this by a model used by her organisation in which they firstly shared resources and services in human resources, marketing, finance and information technology which made the financing very economical. The funding also goes to industry insight research.

The third panellist was **Sandhya Chintala (PhD), Executive Director of IT-ITeS Skills Council NASSCOM**, India. NASSCOM is a chamber of commerce, focusing on global positioning of Indian industry as an enabler choice for digital transformation in the world. With 28 years of existence, it is a preferred organisation that sits on various government and private bodies as an instrument of change.

Dr Chintala provided an overview about NASSCOM and its mission to boost innovation, develop talent, and contribute to market development, industry engagement and public advocacy.

In her presentation, she focused on sharing the organisation's work on talent development.

Her organisation is funded by government and the private sector. She highlighted that about 92% of the IT-ITeS membership is from the IT sector and IT enabler service companies. The sector is facing risks, as by 2022no less than 54% of all employees will require significant re-skilling and upskilling. Of the 4.3 million jobs in the industry today, the nature of 60-65% of jobs likely to change over the next 5 years. Talent development is a solution to address these risks. Job scenarios and market analyses all point out that there is the need to reimagine business.

Today, in India there is the National Council of Vocational Education & Training in which the National Skills Development Corporation serves as its secretariat. Under this secretariat, there are 40 established SSCs, and two bodies which have been approved and are under formation. All of them were funded by the government for about 3-5 years and then have become self-sustainable. However, most of these organisations have to be linked to a line ministry. For the IT-ITeS Skills Council, it is linked to the IT Ministry, and the horizontal ministries are the Ministry of Human Resources Development, the Ministry of Labour and Employment and the Ministry of Skills Development & Entrepreneurship.

Dr Chintala said the IT-ITeS Skills Council NASSCOM works on creating job standard, anticipating future skills, building capacity of faculty on emerging technologies and creating an ecosystem where industry and academia come together to tackle the problems of skills gap and jobs readiness.

The organisation also creates the platform and supporting infrastructure for continuous learning and skilling via job standards, courseware development (building the youth to be future-ready), recognition of prior learning and apprenticeship. It also provides training and efficacy by building the training infrastructure across the country through faculty development programmes, training licensing & TVET assessment, enabling implementation of government schemes, and conducting assessments. She stressed that this means industry have a return of investment because they do not have to actually invest, but will find a ready requirement. It also works on outreach and awareness raising by conducting industry events, working with academia and organising skills competitions. Therefore it is building a future skills platform—an online platform to reskills and upskill about 2 million employees over a period of 5 years.

The fourth panellist was Ms **Anja Trier Wang, Leading Senior Advisor of Confederation of Danish Industry**, from Denmark. Ms Wang presented how trade committees in Denmark and their sectoral social partner cooperate with the Vocational Education and Training (VET) system.

Danish VET provides dual training apprenticeship in which apprentices would have fixed wages defined by the social partners, with apprenticeship duration of 2 to 5.5 years. There are four groups of programmes covering 105 VET courses. It has become an essential part of the Denmark labour market model which is based on social partnership and collective bargaining agreements. Denmark has a long tradition of apprenticeship.

Ms Wang described the actors and institutions involved in VET governance at different levels—from the governing board to local VET/C-VET committees, Trade Committees to VET-Council/Continuous-VET (C-VET) Council, Ministry of Education to Parliament and saidall of them are bipartite.

Trade Committees are considered social partnerships in practice. There are about 50 committees in Denmark with each of them covering a sector or a sub-sector. All VET programmes have to belong to Trade Committees.

The Trade Committees are represented and financed by social partners (trade unions and employers) in equal number. They make decisions on VET programme structure, duration, objectives, outcomes and examination methods and play an important role in analysing skills needs in the sectors. They also take a role of certifying companies as apprenticeship places and mediating in conflicts between the companies and apprentices and deciding on extending or shortening apprentice contracts.

In Denmark, the state funds VET programmes in all areas of education including grants, governance and quality assessment and regulatory issues, while companies and trade unions have a large funding role in the Trade Committees, covering wages during apprenticeship and training.

Ms Trier Wang explained how these committees work, highlighting that the social partners do not have just an advisory role but actual decision-making power on VET. They are involved in collective bargaining and regulation of labour market. Trust among the stakeholders is also important, she said, and it is made based on dialogue and compromises between the social partners, otherwise solutions will be made only through government intervention and in that case the committees will lose their influence.

Following their presentations, the panellists responded to a number of questions. Mr Comyn answered a question on a distinctive characteristics found in sector skills bodies, saying it is the senior representation of the industry sitting in the sector skills body to ensure that this organisation has capacity to influence skills systems.

Responding to a question on necessary pre-conditions required for the establishment of sector skills councils, Dr Chintala said it is the needs to have the industry chairperson of the association as the chairperson of the SSC and to have representatives of the Ministry of Education, the IT sector and academia, CEOs and directors of companies as its members. These people initiated and drove the skills council, she said.

Mr Trier Wang and Ms Rexworthy responded to a question on critical factors for the sustainability the SSCs and Trade Committees in Denmark and the UK respectively. Ms Trier Wang emphasised that trust among the stakeholders built based on dialogue, the committees' level of authority and good knowledge of their economic sectors are the success factors in Denmark. Ms Rexworthy said it is all about the collaboration and negotiation. The ability to facilitate, negotiate, and really listen to what employers are asking for and then interpret that in a way that makes it possible into government policy.

All the panellist then answered a last question on how small and medium-sized enterprises (SMEs) are engaged by the different types of SSCs. Ms Rexworthy said this engagement is done through the association's communications with SMEs and its work through local, regional skills development for SMEs. Dr. Chintala said all SMEs have regional representation in SSCs in India. Ms Trier Wang said it is important to ensure representation from all sizes of enterprises. Mr Comyn said the representation of industry members in a SSC has to reflect what's going on in the sector.

As the webinar came to an end, Ms Sakamoto concluded the ILO country teams will follow up with the participants to take this discussion further at the country level.