

Highlights



The informal sector is the dominant segment of the labor market in most Pacific island countries and is where most school-leavers will have to find work. Training for the informal sector has to become the top priority. This means sufficient new resources should be allocated for informal sector training, training strategies designed, and capacity built to support the rural and informal sectors, in part by boosting the technical expertise and delivery capacity of nongovernment organizations.

Many issues in technical and vocational education and training (TVET) derive from inappropriate and unclear organizational structures. Getting the structure right is, therefore, the first step to more effective TVET systems. Where possible, TVET systems should be governed by apex organizations such as national training authorities. These apex organizations should be based on partnerships among stakeholders and driven by employers, who represent demand for skills. Apex organizations should have the executive authority to link training supply with demand, based on labor market information; coordinate providers; set priorities, policies, and directions; and allocate resources.

Choices about where to invest in skills development should be based on evidence of achieving formal/informal employment with minimum resource outlay. Enterprise-based training should be expanded, e.g., apprenticeships and institutional training closely linked with the labor market. However, investing in “vocalization of secondary education” is not supported by this review. It is expensive, difficult to do well, and it usually fails to confer better labor market outcomes on graduates. Instead, resources should be allocated to stand-alone training programs well grounded in the labor market and which target those who are in, or about to enter, the labor market.

Quality in skills development for both the formal and informal sectors requires three elements: occupational standards, sufficient inputs, and measurement of outputs against those standards. Developing occupational standards should be pursued by designing national qualification frameworks provided they focus on outputs (competencies) rather than inputs (courses required), and avoid complexity. Minimum standards should be set for public TVET providers and they should be subject to accreditation and periodic quality audits. In addition, output indicators should be defined and measured against the standards. Information on the impact of training should be developed—e.g., tracer studies of graduates—and factored into training policies and resource allocations.

Current incentives in Pacific island countries’ TVET systems result in inertia. Budgets are given year after year regardless of performance. This review recommends that incentives be changed for those managing skills development. Managers of training institutions should be given authority through devolution, along with accountability for results. Results should be compared against targets, and budgets should be allocated according to performance. At the same time, managers should be enabled to develop their capacities through in-service management development programs.

Tackling these five major reforms would justify substantially increased public and private investment in skills development.

Note: The reader seeking just the main findings without the detailed background should look at the chapter summary (next section) and Chapter 6.