## Linking vocational skills development to inclusive growth: A political economic approach

Stephanie Allais<sup>1</sup> and Hannes Teutoburg-Weiss $^{\ast 2}$ 

<sup>1</sup>University of the Witwatersrand – Afrique du Sud <sup>2</sup>University of Teacher Education Zurich (PHZH) – Suisse

## Résumé

This paper reports on the first stage of an international, multi-disciplinary research project (www.phzh.ch/skillsforindustry). The project is examining the factors that help or hinder vocational skills development (VSD) in low and middle-income countries to contribute to inclusive industrial growth and transformation. There are six countries in the comparative study: Bangladesh, Cambodia, Ethiopia, Laos, South Africa, and Vietnam.

The research derives from the current context in which many governments of lower income countries and international donor agencies have greatly increased their support to VSD. This renewed interest in VSD can be seen as a response to high rates of youth unemployment in the Global South. Given the important role of manufacturing and industry in job creation and economic transition, a significant proportion of VSD programmes cater to this sector. Historically, countries with strong vocational education systems have had also strong manufacturing sectors. While the research available in this field has been overly concerned with tracing VSD graduates and making inferences about life time earnings and company benefits in the light of human capital theory, we propose to look at this linkage in more comprehensive and holistic fashion. We argue that what is required is the establishment of a political economy of skill formation systems and the linkage of these systems to country as well as company growth and transformation. We are therefore attempting to address what we see as a blind spot in research, but at the same time an issue which is of high importance in the development context.

The research attempts I) to understand the linkage between VSD and (inclusive) company growth as embedded in a broader socio-historical, institutional context, which is highly relevant for how we try to understand and analyse this linkage; II) to focus on the collective and complex consequences – on the company level – of vocational training and education. For example, hiring specifically trained workers might influence the overall management and structuration of work processes and therefore changes the work environment of the workforce as a whole; III) to acknowledge that VSD regimes and companies operate within a global framework and that processes on this level cannot be neglected in the analysis.

In the paper, we map the current state of research into skills at a company level, and highlight what we see as simplistic assumptions and problematic conclusions. Secondly, we offer an alternative way of looking at this issue, drawing on the conceptual model from the research project. Thirdly, we present some key findings from the research completed to date, which is a company survey in each country.

\*Intervenant

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