Sub-theme: The Post-2015 Futures of Development Goals and Development Assistance to Education and Skills

Abstract: Engaging the Private Sector in Skills Development

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Demand for skills training is increasing beyond that which governments of developing countries can provide. Additional training provision, new approaches to skills acquisition and diverse sources of funds must be found. Just doing more of the same is not an option. The private sector has a crucial role to play. Interventions by global companies are often effectively facilitated by donors, governments or NGOs. Before investing in skills development employers prefer to see the benefits likely to accrue and require a favourable business environment with minimal bureaucracy. Their engagement is most effective if it starts early in the planning process and results from them being proactive.

The most effective skills development programmes include both soft skills and technical skills, off-the-job as well as on-the-job training and skills required in the informal labour market. Ideally training programmes for disadvantaged groups will include income-earning opportunities, such as apprenticeships, with formal recognition of the competences gained.

Private training providers have a valuable role to play if the quality of their provision can be assured. However, evidence that they are closer to employers than public training providers is not definitive.

There is more private finance flowing into the developing world. Levies or tax incentives are not suitable for countries which do not have a solid industrial base and sound administrative capacity, and have been found to favour large companies. Whilst voucher schemes show mixed results, there is evidence that they can work in disadvantaged communities and stimulate demand for training.

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