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## **Technical & Vocational Skills Development (TVSD) & the Low Skills Equilibrium**

**Introducing standards, NVQF and occupational  
licencing**

***BUILDING  
A FAIR WORLD***



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## TVSD – looking backwards

- Reforms
- Characteristics
  - Focus on supply
  - High unemployment remains for TVSD graduates
- The problem in LDCs: characteristics of labour market: low demand!



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## Key questions

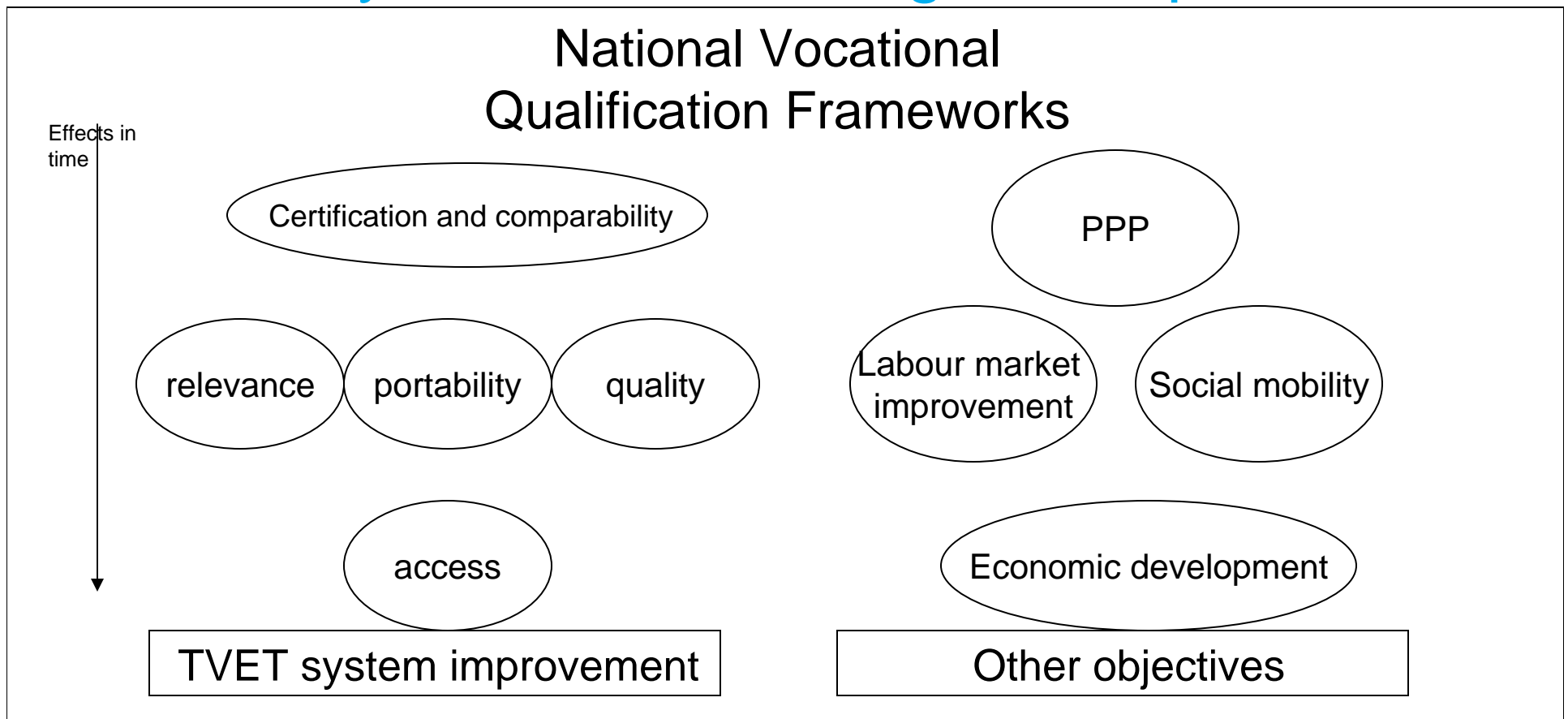
- Why do we develop NVQF?
- Is the standard TVSD approach appropriate for Low Development Countries?
- Proof for Impact?
- Alternative for the focus on the supply side?



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## Why are NVQFs being developed



The Low Skills Equilibrium: introducing standards



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The main track to tackle the low skills equilibrium – Improve the supply side

TVET system reforms (incl NVQF)

Better supply of high skills

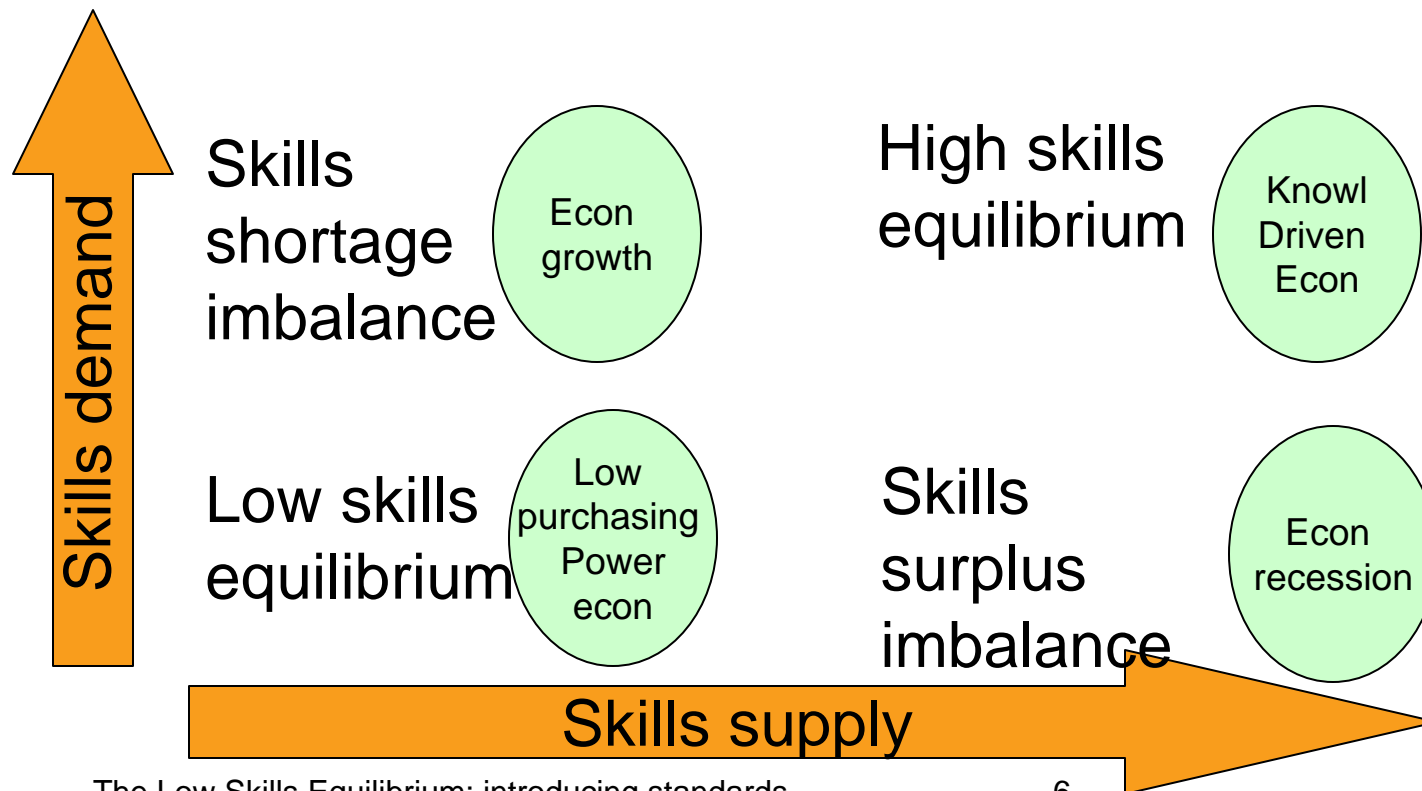
**EVIDENCE?**



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## Demand and Supply in the labour market: 4 types



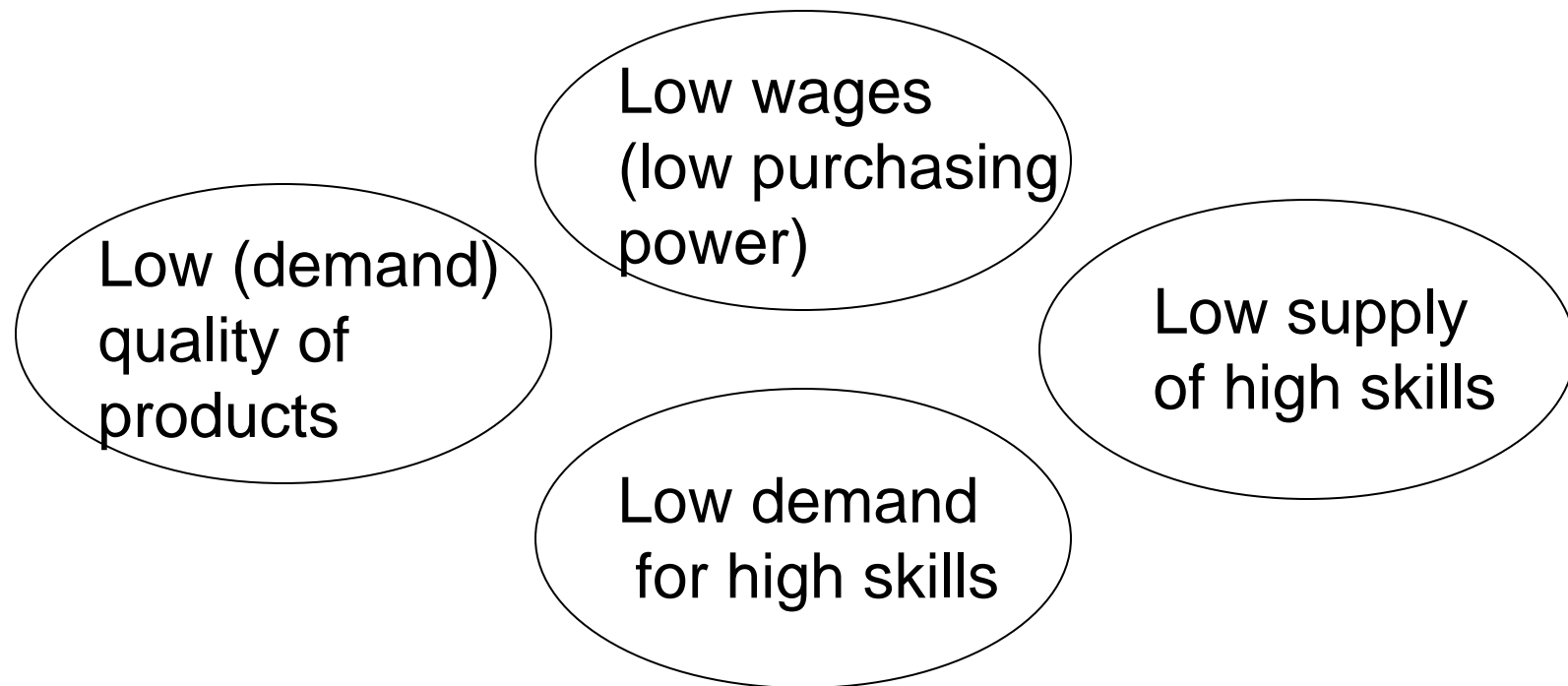
The Low Skills Equilibrium: introducing standards



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## The components of a low skills equilibrium





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## An alternative track – introduction of standards on the product side

**Product standards**



higher (demand)  
quality of  
products



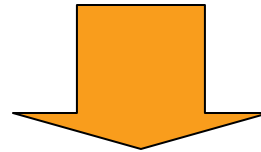


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## Tackling the product side

### Product standards



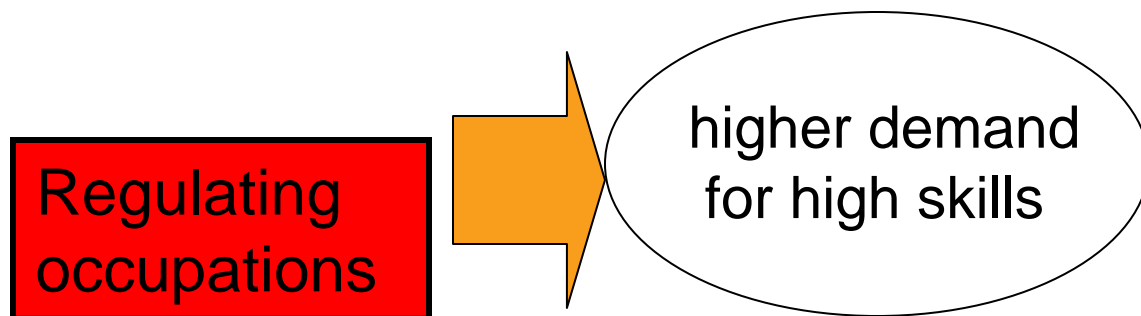
- Skills levels
- Training of low skilled workers
- More competitive in a regional and international market



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## Tackling the demand side – occupational regulation in the Low Skills Equilibrium



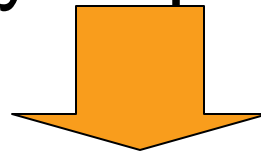


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## Tackling the demand side

Regulating & licensing occupations  
= entry requirements



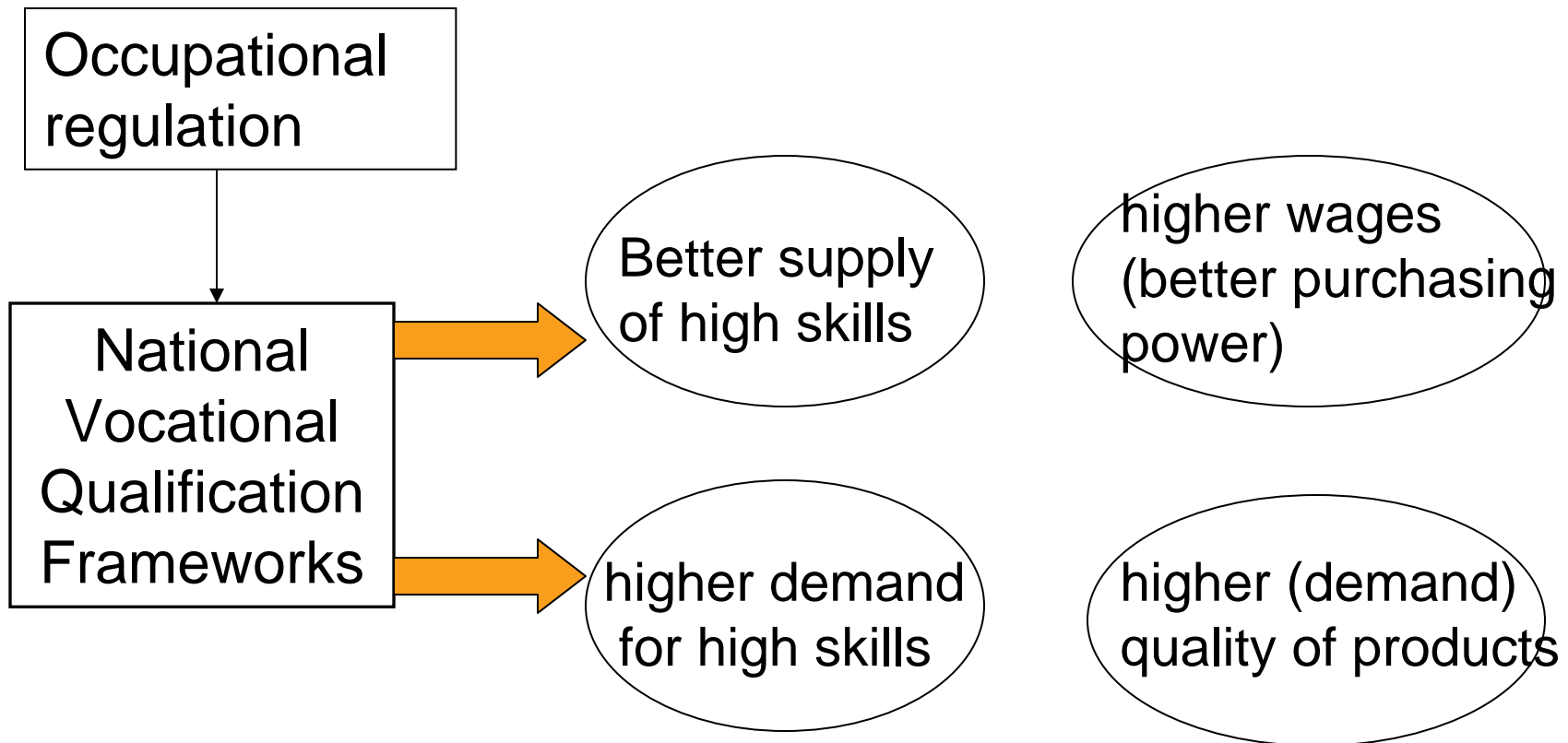
- Skills levels
- Quality of products
- Training of low skilled workers
- Wages
- No long term negative employment effects



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## Combining demand and supply approach





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## LDCs: when and how to apply

Not all  
economic  
sectors

Gradual  
approach

Combined  
minimal  
conditions:  
regulations,  
inspection,  
application of  
rules, improved  
training, support  
from private  
sector.

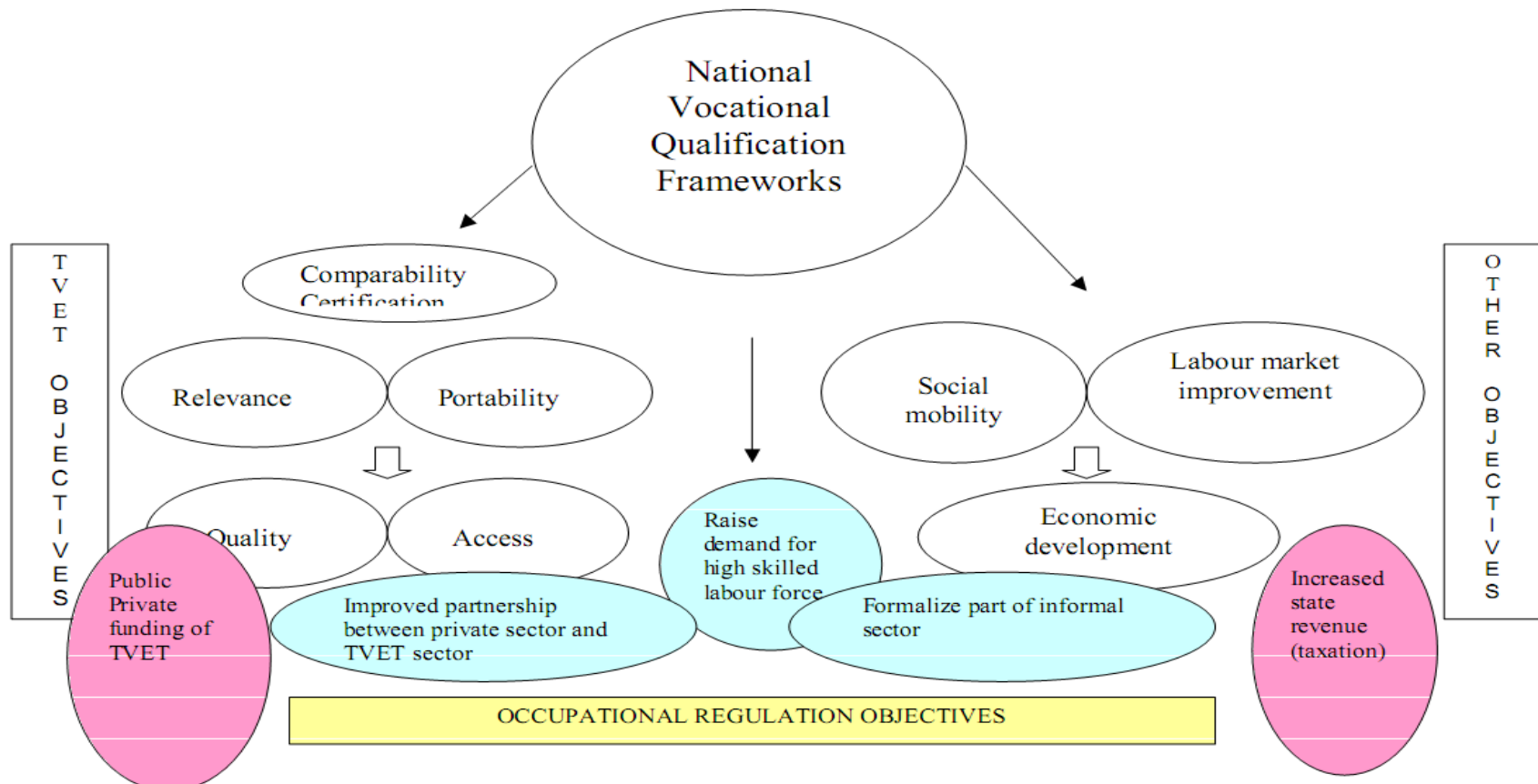
Keep it simple

Transition period

Excluded:  
fragile situations  
and failed states



# NVQF expectations reached?





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## Conclusion

- Complex
- Theoretical advantages obvious
- Negative or perverse effects?
- Implementation challenges
- Need for testing