



Short summary of the virtual conference on measuring the return on investment in TVET

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Introduction

The [2030 Agenda for Sustainable Development](#) calls on Member States to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all” and sets a number of targets related to technical and vocational education and training (TVET), including to, by 2030, “substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship”. The vision is holistic and the commitment to ‘leave no one behind’ puts the onus on all Member States to contribute.

While such a vision reasserts the importance of the education sector, of which TVET is an integral component, to contribute towards the transition towards equitable, inclusive and sustainable societies and economies, it also gives rise to a number of challenges, one of which is related to the **financing of TVET**. However, while the current international policy developments put more stress on financing structures, issues surrounding funding in TVET are not purely monetary. The recent international attention to the importance of education might encourage governments and other stakeholders to explore the **Return on Investment (ROI)** from investing in TVET, and understand the different types of benefits individuals, enterprises and governments obtain from investing in training.

Although TVET systems are often considered in relation to labour market outcomes, the benefits TVET brings to individuals, employers and society are not only economic. The country context (political, economic and education system) and the types of stakeholders involved also have an influence on the ROI in TVET. Taking into account all these factors makes measuring, documenting and understanding ROI in TVET increasingly complicated.

Summary of the discussions

The virtual conference informed the wider TVET community about a [collaborative research project](#) on ROI in TVET based on discussions and partnerships with UNESCO-UNEVOC International Centre and other UNEVOC Centres in Asia-Pacific region. Importantly, it was an opportunity for the community to share their ideas, expertise and experiences with the research team to strengthen and validate the initial bases for measuring ROI and identifying indicators. Specifically, the [virtual conference](#) addressed the following questions:

How could information on Return on Investment benefit the TVET system of your country?

Understanding the different ways information on return on investment is used in different countries gives an indication on what should be concentrated on when looking at ROI in TVET. Participants raised a number of salient points, including:

- Information on ROI can play an important role to convince stakeholders to invest in TVET. This point is particularly relevant taking into consideration the competing demands for (often) limited funds.
- There is often a lack of relevant data to measure ROI. Data on both inputs and outputs/outcomes is required, but information on the outcomes of TVET is often insufficient. Part of the problem could be a lack of focus on ROI (or evaluation).

Which types of Return on Investment are most important or relevant to your own country's context?

There are many different dimensions to return on investment and many areas of interest at different levels. For example, the ROI in TVET can have economic, social and community impacts, to name a few. Participants noted that:

- The objectives of the particular TVET system will guide the measurement of ROI. For instance, if an objective of TVET is job creation for unemployed youth then the ROI measurement should reflect that.
- Some countries focus on the economic aspects in ROI, for example, employment after training, youth employment rates, employer satisfaction, employability skills, and a reduction of those not in employment, education or training.
- Economic and social aspects of ROI are often interlinked. For example, increases in employment can also lead to a reduction in crime levels. Moreover, increased levels of employment also can result in greater social cohesion.

What are some of the challenges when comparing ROI in TVET across different countries? How do we take into account the differing political, cultural and educational contexts when comparing returns?

In order to develop a common understanding, each dimension of ROI should have very specific and concrete definitions. These definitions should be consistently applied to each country and the definitions need to relate to something that is measurable. Participants discussed:

- The diversity of sectors (formal to non-formal learning and in a range of settings) provides challenges in comparing ROI measures.
- How other sectors are dealing with similar issues. For example, how are young people not engaged in employment, education or training (NEET) compared across countries?
- The contextual issues to consider, including demographic, the level of experience in managing education and training, and the various stakeholders in the system. It is also important to look at how the TVET system is funded (public versus private) and the management information systems that are available.
- A lack of co-ordination or lack of central co-ordinating body in the system can lead to a lack of or fragmented data. Furthermore, there are challenges for having reliable and

timely Management Information Systems (MIS) for the collection of data for ROI calculations.

What data sources are currently available in your country to measure the ROI in TVET? What are the gaps and how can they be addressed?

It is important to think about what types of sources of data are available to measure the costs/investments and benefits of TVET in each country. Importantly, there is a need to consider not only direct costs but also indirect costs, as well as both tangible and intangible benefits which may be harder to capture. Participants looked at:

- Data gaps in the collection of information for ROI and the difficulty of capturing qualitative data. It may be worth considering the collection of qualitative data (e.g. case studies) to demonstrate certain aspects of ROI.
- The various stakeholders involved in data collection and the information that they can provide to use for ROI calculations. There needs to be overall co-ordination in the collection of data.
- Collecting and using data so that it can be useful for measuring or understanding ROI.
- The development of standard indicators from the data that can be used for comparisons, which is a challenge because of the diversity inherent in TVET systems.

Towards an ROI Framework: What should a suitable framework look like?

What should be considered in an overarching ROI framework? In particular, what are the decisions necessary to arrive at a cohesive model? Answering these questions will help in developing an ROI model which has broad application to TVET.

Participants discussed the need for common understandings, as well as the need for an inter-sectoral approach which could help link the analysis of TVET systems with intended development outcomes. To this end, UNESCO's integrated, analytical approach put forward in '[Unleashing the Potential. Transforming Technical and Vocational Education and Training](#)' was considered. The approach combines economic growth, social equity and sustainability concerns in a balanced and strategic manner and considers that:

- Economic growth incorporates productivity and growth, employability, employment creation and new modes of work.
- Social equity incorporates redistribution of both material and intangible wealth and inclusion.
- Sustainability incorporates greening economies and sustainability.

About the co-moderators

Phil Loveder



Mr Phil Loveder is the Manager Research Operations and Director International at the NCVET in Australia.

Philip has almost thirty years' experience in educational research and business development in both the higher education and TVET sectors. He has a particular interest in researching industry models of education and in the funding and financing of training. Philip is currently the regional co-coordinator of the Pacific Island sub-cluster in the Asia-Pacific UNEVOC Network region.

John Stanwick



Mr John Stanwick is a Senior Research Fellow at the NCVET. He holds a PhD in the area of public management.

John has many years' experience in social science research at NCVET and also the former Australasian Centre for Policing Research. His research interests include the financing of vocational education and training, youth transitions, disengaged youth, structural change in industry and its relevance to vocational education and training, and the impact of social science research.

Participation

Overview

Number of participants	230	Network members:	83 (36%)
Number of countries from which participants came:	63	Male:	132
		Female:	98