

# **A Case Study of Capacity Building in Kiribati's Vocational Training System**

## ● **Background Introduction**

According to the modern economic development framework, a nation's economy runs on the knowledge and skills of its people. Skills development is becoming a priority for Pacific Island Countries (PICs), fueled in part by the surging numbers of young people who have completed formal schooling yet lack practical skills that are useful in the labor market. Skills-acquisition has also become a priority where job growth and emigration have created skills shortages. More importantly, developing vocational skills is a key element both for private sector development and for creating income-generating opportunities for the poor, the latter of which is one the central focuses of Official Development Assistance given by organizations. For the sake of economic and human resources development, all countries provide technical and vocational education and training (TVET) in one form or another. Yet this has been a neglected area in terms of research, especially in the Pacific. This case study will help to highlight issues that need to be addressed.

To illustrate PICs' vocational training systems, we will look at Kiribati to examine and explore the importance of strengthening vocational and technical training, and its links to the labor market. We will start this discussion by explaining some of the defining characteristics and providing some data and facts about Kiribati, as well as in other PICs.

## ● **Socioeconomic Background**

The diversity of the Pacific region and the different stages and prospects for development suggest grouping countries for purposes of analysis. Three categories are presented in Table 1 and Table 2:

**Table 1. Basic Data by Country Grouping**

	<b>Group 1: Large, Low-Income States</b>	<b>Group 2: Vulnerable Island States</b>	<b>Group 3 Advanced Island States</b>
	3 - PNG, Solomon Islands and Vanuatu	5 - FSM, <b>Kiribati</b> , Nauru, RMI, and Tuvalu	5 - Cook Islands, Fiji, Palau, Samoa, and Tonga
Total population	6.9 million	0.28 million	1.1 million
Median population/sq. km	17	309	57
Projected population growth 2004-2014 (%)	28%	20%	4%
Median urban population as % total	16.5%	55.2%	51.7%
Average infant mortality per 1,000 births	52	26	17
Average life expectancy (years)	62	65	71
Net primary enrollment Ratio	88	96	91
Median net secondary enrollment ratio	26	70	67
Youth literacy rate	31	83	96
Per capita GDP (US\$)	487	1,534	3,811
Human Development Index	0.592	0.578	0.803
Median formal sector employment as % total employment	9.3%	29.7%	64.0%
Median public sector employment as % formal sector employment	30%	52%	22%

**Table 2. Characteristics by Country Grouping**

<b>Group 1: Large, Low-Income States</b>	<b>Group 2: Vulnerable Island States</b>	<b>Group 3 Advanced Island States</b>
3 - PNG, Solomon Islands and Vanuatu	5 - FSM, <u>Kiribati</u> , Nauru, RMI, and Tuvalu	5 - Cook Islands, Fiji, Palau, Samoa, and Tonga
<ul style="list-style-type: none"> <li>● Large land areas and low population densities.</li> <li>● High population growth, low per capita incomes and high proportion of the labor force in the rural subsistence sector.</li> <li>● Educational attainment and health indices are among the lowest in the region.</li> <li>● The economies are dual, comprising a narrow formal, corporate based economy and a large informal economy where subsistence farming accounts for the bulk of economic activity.</li> </ul>	<ul style="list-style-type: none"> <li>● Low population (between 10,000 and 100,000), high population density, large public sectors.</li> <li>● Relatively good education and health indicators and high dependence on external assistance.</li> <li>● Limited land and agricultural areas; widely scattered and sparsely populated island geography yet with overcrowding on the main islands.</li> <li>● Isolation from world markets and high internal transportation costs.</li> <li>● Paucity of natural resources and extremely infertile soils.</li> <li>● High import dependence, large and continuous trade imbalances.</li> <li>● Large public sectors with low productivity; weak fiscal status; small, underdeveloped private sectors and limited business opportunities in the domestic economy.</li> <li>● Inadequately skilled workforces; high levels of underemployment in the labor force.</li> </ul>	<ul style="list-style-type: none"> <li>● Relatively high per capita incomes, strong private sectors, well developed commercial agriculture and extensively developed tourist industries.</li> <li>● Tourist arrivals in 2003 for Fiji were around 430,000, and between 40,000 and 92,000 in the other countries.</li> <li>● Tourism employs a relatively high proportion of the labor force, from 10% in Fiji to about 20% in the other countries. These countries have the highest proportion of working people in formal sector employment.</li> <li>● Compared to other PICs, they engage a higher percentage of employees in manufacturing and smaller percentages in public and community services.</li> <li>● Agricultural exports account for a large proportion of total exports.</li> </ul>

Most PICs have limited formal employment opportunities for their expanding populations (Table 3). Growth of the labor market far exceeds job growth in most PICs. This means that most new entrants must take up self-employment in the informal sector.

**Table 3. Population projections 2004 to 2014**

Country	Projected Growth 2004-2014			
	Population		Increase	
	2004 (1,000)	2014 (1,000)	Number (1,000)	Total % Increase
Cook Islands	14.0	12.8	(1.2)	(9%)
Fiji Islands	836.0	930.2	94.2	11%
FSM	112.7	138.3	25.6	23%
<b>Kiribati</b>	93.1	116.4	23.3	25%
RMI	55.4	73.0	17.6	32%
Nauru	10.1	11.3	1.2	12%
PNG	5,695.3	7,138.4	1,443.1	25%
Samoa	182.7	198.3	15.6	9%
Solomon Islands	460.1	588.8	128.7	28%
Tonga	98.3	103	4.7	5%
Tuvalu	9.6	10.6	1.0	10%
Vanuatu	215.8	281.2	65.4	30%
Total	7,783.1	9,602.3	1,819.2	23%

### ● Kiribati Vocational Training Costs, Financing, and Expenditures

PICs fit into two categories in education expenditure: those that rely mostly on their own funds and those that receive significant external funding for education and channel government funds to other activities. Table 4 provides data on the financing of education and the TVET sector in PICs.

**Table 4. Financing of TVET in the Pacific**

Countries	TVET as Share of GDP (%)	Share of MOE Expenditure (%)	MOE	MOE
			Expenditure as Share of Budget (%)	Expenditure as Share of GDP (%)
Cook Islands	0.2	6	-	3
Fiji Islands	0.4	4	19	10
<b>Kiribati</b>	0.6	3	25	21
RMI	1.8	24	12	24
FSM	1.4	7	-	19
Palau	3.3	54	11	7
PNG	0.5	13	16	8
Solomon Islands	3.5	40	25	9
Tonga	0.3	9	13	3
Tuvalu	-	-	23	-
Vanuatu	0.6	3	26	12

## ● **Australia's Vocational Certificate System**

Australia's vocational certificate system is called Australian Standards Framework (ASF). The core characteristic of ASF is Competency-based Training (CBT), which focuses on outcomes, the attainment and demonstration of specified knowledge, and skills and application by an individual — rather than inputs, such as time served. Education and training pathways in the vocational education system provide training in key areas of competence as well as vocational competencies. All pathways should provide for recognition of prior learning, and articulation and credit transfer to higher levels of competence.

The system is course-oriented and examines trainees and apprentices from levels 1 to 4. Level 1 is the most basic while level 4 is the most advanced. Australia's State and Territory training authorities are vested with authority to negotiate and supervise industry or enterprise level training agreements which define the obligations of employers and trainees under work-based training programs.

Such training agreements should include provision for the acquisition of the key areas of competence and relevant vocational competencies to ASF 1, 2 or 3 or higher. Failure to meet the training obligations on the part of employers and trainees should be subject to appeal and review procedures.

## ● **Challenges and Opportunities**

1. The informal sector is the dominant segment of the labor market in most PICs and is where most school-leavers will have to find employment. Training for the informal sector has to become the top priority. This means sufficient new resources should be allocated for informal sector training, the design of training strategies, and capacity building to support the rural and informal sectors, in part by boosting the technical expertise and delivery capacity of NGOs.
2. Many issues in TVET derive from inappropriate and unclear organizational structures. Getting the structure right is, therefore, the first step to creating 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 those who represent demand for skills (i.e., employers). These apex organizations should have executive authority to link training supply with

demand; to coordinate providers; to set priorities, policies, and directions; and to allocate resources.

3. Choices about where to invest in skills development should be based on evidence of cost-effectiveness. Enterprise-based training should be expanded, e.g., apprenticeships, and institutional training needs to be closely linked with the labor market. However, rather than investing in integrating TVET into general secondary or primary schools—which is expensive, difficult to do well, and usually fails to confer better labor market outcomes on graduates—resources should be allocated to intensive training programs that are well grounded in the labor market and that target those who are in, or about to enter, the labor market.
4. Quality in skills development requires three elements: occupational standards, sufficient inputs, and measurement of outputs against those standards. The development of occupational standards should be pursued through the design of a Certificate System, with such certification focusing on outputs (competencies) rather than inputs (courses required), and avoiding complexity. Minimum standards should be set for public TVET institutions and they should be subject to accreditation and periodic quality audits. In addition, output indicators should be defined and measured against recognized standards. Information on the impact of training should be developed, e.g., tracer studies of graduates, and factored into training policies and resource allocations.
5. Current incentives in PICs TVET systems result in inertia. Budgets are given year after year regardless of performance. Incentives should 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.

## ● **Priorities and strategic options for Kiribati Vocational Training**

It is no mystery that good skills development requires market analysis of employment opportunities, including income generation in the informal sector; skills standards developed in close collaboration with employers; adequate inputs in terms of qualified and up-to-date instructors, equipment, and consumables; quality assurance in testing for competencies acquired; and feedback from the

market.

● **Task**

1. Identify 2 or 3 trades that Kiribati's vocational training courses need to develop and strengthen the most with SWOT analysis. The trades your team chooses must meet the demands of the local labor market, as well as labor market demand in neighboring developed/ advanced countries (e.g. Australia and New Zealand).
2. Limited opportunities in the formal sector and a lack of appeal for subsistence and informal sector employment have led many people to look for another solution: working overseas. Therefore, your proposal should account for emigration by designing a mechanism for recognizing certification in neighboring developed/ advanced countries.