Skills’10 Project
Specialized Vocational Training Centers Project
(UMEM Beceri’10)

Prof. Dr. Serdar Sayan
TOBB University of Economics and Technology
Director, Center for Social Policy Research

TOBB, Ankara
11 January 2012
• Skills development for economic development
• Unskilled workforce as a major problem in Turkey
• Important role for the private sector
• UMEM Skills’10 Project
• Relevance to Other Countries
• Conclusions
Skills Development

• Skills development for economic development
• Unskilled workforce as a major problem in Turkey
• Important role for the private sector
• UMEM Skills’10 Project
• Relevance to Other Countries
• Conclusions
Skills Development

• Improvement of the vocational education system:
  – improves human capital and productivity
  – reduces skills mismatches in the labor market
  – increases competitiveness of the economy
  – reduces unemployment and poverty
  – promotes *economic growth*
Unskilled Workforce in Turkey

- Skills development for economic development
- Unskilled workforce as a major problem in Turkey
- Important role for the private sector
- UMEM Skills’10 Project
- Relevance to Other Countries
- Conclusions
Unskilled Workforce in Turkey

• 3.4 million unemployed people in December 2008 (14% of the workforce)
  – As of September 2011, 2.4 million people are unemployed (8.8% of the workforce)

• Skills mismatch due to low-skilled work force
  – One of the main reasons behind unemployment
  – Firms have difficulties in hiring qualified staff

• The global financial crisis exacerbated the situation
  – Mostly unskilled people lost their jobs
Role of the Private Sector

- Skills development for economic development
- Unskilled workforce as a major problem in Turkey
- Important role for the private sector
- UMEM Skills’10 Project
- Relevance to Other Countries
- Conclusions
Role of the Private Sector

• Two sides of the unemployment problem
  – Unemployed people do not satisfy the requirements of firms, due to their low skills.
  – Although there are vacancies, firms cannot find qualified candidates in the labor market.

• The private sector organizations can contribute to reduce these mismatches
  – Taking an active role in the vocational training system
  – Serving as a mediator between firms and job seekers
• Skills development for economic development
• Unskilled workforce as a major problem in Turkey
• Important role for the private sector
• UMEM Skills’10 Project
• Relevance to Other Countries
• Conclusions
Why Skills’10 is Different?

• A unique example of Public-Private-University Partnership

• Local Labor Market Analyses are being conducted for the first time in Turkey

• In the new design, private sector is located at the center of the Vocational Training system through the Chambers of Industry and Commerce

• Courses for the unemployed are designed according to the requirements of the private sector, to increase their employment opportunities.
Flexible Project

• Firms get involved in the creation of the course curriculum
• Firms can choose the trainees they want to employ
• Firms’ own foremen can act as trainers in the courses
• Firms can observe trainees during the whole process
• Firms can provide in-house trainings
UMEM Skills’10 Activities

• Strengthening the Infrastructure
  – Renewal of the equipment, Revision of the curricula, Training of the trainers

• Labor Market Needs Analysis
  – 19 cities selected as pilot, Capacity building for the remaining cities

• Matching the trainees with the firms
  – Selection of the trainees, Matching the trainees with the firms

• Implementation of the courses
  – Internships provided for successful trainees, Job placement for successful interns
Process

Infrastructure

Supply of skilled labor (applicants for training courses)

Needs Analysis

Demand for skilled labor

Matching trainees and firms

Theoretical and Practical Training

Job Placement
Process in Detail

1. Course identification according to the demands and curriculum revision
2. Course announcements and application collection
3. Determination of the trainees according to the interviews
4. Initialization of the courses – max. 3 months and Evaluation of the courses
5. Initialization of the internships – max. 3 months (in the factories – full time)
6. Evaluation of the internships (will be evaluated by the employer)
7. Employment of the Successful Trainees
Incentives to Promote the Project

• Theoretical and practical training period
  – Daily 15 TL, monthly 360 TL allowance
  – Public health insurance
• When successful trainees are employed
  – employer’s insurance contribution is paid by government for up to 4.5 years

<table>
<thead>
<tr>
<th></th>
<th>Female /30 yr old or younger Male Employee</th>
<th>30+ Male Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has vocational competence certificate</td>
<td>4,5 years</td>
<td>3,5 years</td>
</tr>
<tr>
<td>Does not have vocational competence certificate</td>
<td>3,5 years</td>
<td>2,5 years</td>
</tr>
</tbody>
</table>
Achievements-1

• In all 81 cities, 100 million TL (app. 57 million USD*) is invested on the infrastructure of 140 vocational high schools.
• Local Course Administration councils were established
• The instructors of these schools have been trained to train the unemployed.
• In 19 provinces that constitute 80% of the work force, Labor Market Needs Analyses are performed.
• 5,000 firms are surveyed, their requirements concerning their employees and vacant positions are detected.

*Expenditure is converted into dollars using the average annual exchange rate for 2011 which is published by CBRT
Achievements-2

• In 5,000 firms, the demand for intern positions are also identified.
• Analysis results were shared with public by meetings in 19 provinces. Problems of labor market were discussed with industrial employers of 19 provinces.
• Central Information System studies have been completed. The labor demands are collected through this system. (www.beceri.org.tr)
• Advertisement activities (posters, brochures, TV programmes, etc.)
• A 7/24 call center was established in order to respond to informational inquiries.

Result: Successful trainees are getting their certificates.
New Governance Mechanism

“Course management” structure:

– Empowering local stakeholders
  • Retrieving the labor market information
  • Deciding the courses to be opened
  • Modifying curricula according to local needs
  • Selecting suitable candidates for the courses
  • Quality assurance for the courses
  • Matching local unemployed with local firms

– Forcing them to work together
  • Local MoNE representative
  • Local İŞKUR representative
  • Local Chamber representative
Current Situation

As of 10.01.2012;

• 1,987 courses have been opened for 29,247 trainees.
  – At the moment 5,531 people are being trained.
  – 1,434 courses have been completed, 17,842 people graduated.
  – The successful people are being employed.

• 4,740 firms have demanded 50,608 interns so far.

• 35,001 unemployed people applied to these courses.

Source: Skills’10 Administration System
Profile of the Course Participants

- **Gender:**
  - Male: 81%
  - Female: 19%

- **Age Distribution:**
  - Aged 16-24: 49%
  - Aged 25-34: 39%
  - Aged 35-44: 11%
  - Aged 45+: 1%

- **Education Level:**
  - Primary Education: 47%
  - Secondary Education: 41%
  - Higher Education: 12%

Source: Skills’10 Administration System
# Most Demanded Occupations by Firms

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Demand for Interns (persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewing Machine Operator</td>
<td>764</td>
</tr>
<tr>
<td>Gas Metal Arc Welder</td>
<td>376</td>
</tr>
<tr>
<td>Sewing Machine Operator (fabric)</td>
<td>337</td>
</tr>
<tr>
<td>Weaving Machine Operator</td>
<td>314</td>
</tr>
<tr>
<td>Confection Worker</td>
<td>303</td>
</tr>
<tr>
<td>CNC Operator</td>
<td>278</td>
</tr>
<tr>
<td>Thread Maker (Ring/Vater/Vargel)</td>
<td>276</td>
</tr>
<tr>
<td>Quality Controller (Textile)</td>
<td>273</td>
</tr>
<tr>
<td>Welder (Oxygen and Electricity)</td>
<td>233</td>
</tr>
<tr>
<td>Presser</td>
<td>231</td>
</tr>
<tr>
<td>Plastics Injection and Molding Machine Operator</td>
<td>219</td>
</tr>
<tr>
<td>Other Sewer and Embroiderer</td>
<td>212</td>
</tr>
<tr>
<td>Mechanical Maintenance-Repairer</td>
<td>201</td>
</tr>
<tr>
<td>Lathe Operator</td>
<td>201</td>
</tr>
<tr>
<td>Overlock Machine Operator</td>
<td>197</td>
</tr>
<tr>
<td>Pirn Folding/Bending Machine Operator</td>
<td>192</td>
</tr>
</tbody>
</table>

Source: Skills’10 Administration System
Most Demanded Occupations in Provinces

Source: Skills’10 Administration System
Relevance to Others

• Skills development for economic development
• Unskilled workforce as a major problem in Turkey
• Important role for the private sector
• UMEM Skills’10 Project

• Relevance to Other Countries
• Conclusions
• How do countries perform in terms of labor market efficiency?
• What is the demographic structure?
• What does this tell about the need for labor market transformations?
**TURKEY**

- Labor market efficiency is a constraint,
- Young population’s share shrinks but number increases.

Sources: WEF GCR 2010-11, UN Population Division

Serdar SAYAN
CAMEROON

- Labor is as efficient as the average but,
- Young population’s share and number increases.
EGYPT

- Labor market efficiency is a constraint,
- Share of young people remains fixed but number increases 60% in the next 40 years.
INDONESIA

- Labor is as efficient as the average but,
- Share of young people decreases but number increases.
KYRGYZ REPUBLIC

- Labor is as efficient as the average but,
- Share of young people remains fixed but number increases.
MOROCCO

- Labor market efficiency is a constraint,
- Share of young people remains fixed but number increases slightly.

Sources: WEF GCR 2010-11, UN Population Division

Serdar SAYAN
Relevance to Others

PALESTINE

Unemployment Rate for Men

Unemployment Rate for Women

Sources: Sayre and Daoud

Serdar SAYAN
SENEGAL

- Labor is as efficient as the average but,
- Young population’s share and number increases.

Sources: WEF GCR 2010-11, UN Population Division

Serdar SAYAN
TUNISIA

- Labor is as efficient as the average but,
- Share of young people decreases as number increases and then decreases.
Conclusions

• Skills development for economic development
• Unskilled workforce as a major problem in Turkey
• Important role for the private sector
• UMEM Skills’10 Project
• Relevance to Other Countries
• Conclusions
Conclusions

• Skills development is essential for economic development
• Skills development can be seen as a next step for Millennium Development Goals
  – Improving human capital beyond primary education
  – Creating equal opportunity for men and women
• Private sector should have a key role in the skills development process
• Skills’10 Project seems as a successful start for Public-Private Sector Partnership (PPP) in vocational education and training
• Empowering local stakeholders, while forcing them to work together is a key success factor