

Economic Growth: A great challenge for TVETⁱ

Summary

The article provides the major TVET challenges in a country with economic growth to achieve employment opportunities for low income population.

Key words

Economic growth, training supply and labor demand, multiple skills

Between 2007 and 2008 Peru's economic growth reached 9%. JP Morganⁱⁱ (2011) estimates that despite the US and European crisis, Peru could grow 5.5% in 2012. All the same, it has pointed out that "emerging economies will grow three times more than developed countries, although at lower rates than the ones forecasted at the beginning of the year". These statements are an opportunity to develop the skills of the less favored sectors, given that in the past years job creation "has been insufficient and uneven for it has not benefited everyone in the same way"ⁱⁱⁱ One of the challenges that Peru must face is to have skilled human capital. Peru, as many other Latin American countries do, can contribute to the world economy but it is necessary to assess where the efforts are being made to train new workers and to identify the gaps.

L'Association de Formation Professionnelle de France (L'AFPI)^{iv}, through a research, analyzes the world situation towards 2030. Currently, L'AFPI states that developed countries, contrary to the 70's, require more skilled workers and technicians as well as professionals in different careers. The trend towards the future is definitely a greater demand of skilled workers at different levels. That is, there is a growing demand to have some training level to get a job. On the other hand, the supply of workers that meet the market demands is still very low and in some cases, it is still null. This clearly shows a divorce between training supply and labor demand, which is not responding to the market reality, due to the dynamism of the economy and the lack of capacity of the governments and its educational systems to have strategies and policies that respond to the demands posed by the market at a global level. Both, formal and informal TVET training centers or programs lack articulation with the market. Therefore, there is no economic return, resulting in the economic exclusion of an important group of people that could contribute to development and to move out from their poverty situation. In this regard, we propose some suggestions to help overcome this reality:

- i) Analyze where the worker gap is, workers that could be potentially trained to become part of the economic development. This can be carried out through dialog with the industry where demand has been identified.
- ii) The institutions that provide professional training or skills development must carry out an ongoing analysis of the economy and the market, both domestic and foreign, locally and worldwide. This implies modernizing their supply to achieve employability of trained people.

iii) Analysis must be prospective, 5 to 10 years ahead to identify if there is short, mid or long term demand. This will allow forecasting how many workers in a given industry will be needed and therefore, avoid over supply of skilled workers who will later become unemployed or under employed. For example, in a fishing area in the north of Peru, the need for fish cutters was identified, but the recommendation was not to provide long term training due to the the depredation of sea life and the global warming ,therefore the jobs will be eventual and seasonal^v.

iv) Promote decentralized training programs, paying attention to their local economic potential. There are countries such as Peru which have a great diversity, this calls for a more rigorous analysis of the economy per department or region. What happens is that when a new product or service is promoted in a given area, there is not enough trained labor, therefore companies resort to workers from other areas, leaving the local workers out to the market, when this actually represents an opportunity for their inclusion in its value chain and therefore in the market. One example are hotels in touristic areas; export of flagship products such as grape, avocado, special coffees, cocoa, etc.

v) ongoing and diversified training to favor mobility of people in an ever changing labor market vi) develop and strengthen the soft skills that will be necessary in any dependent or independent job and which are highly demanded by businessmen worldwide. The World Bank^{vi} points out that in this century it is necessary to have multiple skills: cognitive, social and emotional, as well as technical and professional.

In this regard, it is better is we propose training programs that can develop different skills that will provide better jobs opportunities for workers. In this sense we recommend permanent training to enable workers to move into the labor market. Likewise a big challenge is to develop comprehensive programs for people with low educational background, especially for women to develop the necessary skills to achieve their social and economic inclusion.

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ⁱⁱ Gestion Newspaper-August 16, 2011 On line <http://gestión.pe/noticia/1014751/jp-morgan-peru-aun-resgistrara-mayor-crecimiento-america-latina>

ⁱⁱⁱ Arias, O (2011)...Peru on the threshold of a New Era. World Bank[in]Development of Human Skills for a more thriving and equitable Peru

^{iv} In CNE Opina Newsletter “Higher Education System”. An articulated system of lifelong education. N°30-December 2010. National Council of Education. Lima - Peru

^v Social and Economic Diagnosis of the Province of Paita. SNV 2011

^{vi} World Bank (2011) Peru on the Threshold of a New Era.