



Ministry of Science and Technology Higher
Education and Professional Training, Mozambique

Technical and Vocational Education and Training-
Improved Financing and Accessibility

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23-24 May 2019

HUMAN RESOURCE DEVELOPMENT CONFERENCE

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Background & Significance



- The 3rd TVET Congress held in Shanghai in May 2012, provided key recommendations for TVET reforms and policy development for UNESCO member states;
 - One of the recommendation was that governments and others TVET stakeholders in UNESCO member states should consider increasing investment in TVET and diversifying financing;
 - Recognizing that TVET is an investment in Human capital that produces a **High Return Benefiting** to a broad range of actors including individuals, Enterprises and the states;
 - Diversifying source of funding by involving all stakeholders;
 - Promoting **Targeted Funding Schemes** to facilitate access of disadvantaged groups to TVET and to Jobs.

Background & Significance



- In most countries TVET remains the last career option to many learners;
- TVET development has suffered from poor investment, quality and relevance;
- Low level of public resources allocated far from satisfying the training needs;
- In sub-saharan Africa, the percentage of public expenditure of TVET range from 2-6%. In Africa as a whole the average of 5% of public expenditure is devoted to TVET;
- This underfunding forces most countries to adopt a strategy of diversification of financing.

Background & Significance (cont.)



- In most countries Levy systems have been adopted but problematic issues related to levy funding are common, such as:
 - Misallocation of training funds;
 - Inequality access (small companies);
 - Firms fearing to invest in training their workers because of poaching and “free-rider” problems;
 - Some countries preferring to a sectoral (e.g: Brazil, South Africa, UK, Denmark, Netherlands) levies instead of global;
 - Workers forced to bear with the burden of the tax;
 - Levy collection- How to collect the funds efficiently without costing more in administrative expenses-
Some countries integrate levy collection in a collection of taxes; others use social security data base.

Background & Significance (cont)



- In Mozambique the levy system has its origin from the TVET reform that the Government initiated in 2006;
- In 2016 the government approved the Professional Education Law (6/2016) which encloses training fund;
- The law states that “companies operating in the country should contribute on a pay roll base the amount up to 1%”. Later was fixed to 0.65% of pay roll.



This study can be placed as a case study concerning National Training Fund undertaken through:

- Internet search;
- Literature review; and
- Interviews conducted to the individuals from the reform institutions, and others.

Findings



- In case of Mozambique, when the levy system was introduced some companies showed reluctance arguing that this levy can be unbearable for them as they have to shoulder other taxes from the same government;
- It was assigned to the National Authority for Professional Education, ANEP the manager of the Training fund;
- As for the collection approach, initially it had been suggested and approved that the levy collection would be made through the National Security System;
- After discussions it was realized that this approach was not feasible because Social Security Department (under MITESS) is not the owner of the data base. Thus, for the purpose of collection of fund, appropriate program (software) is to be developed by ANEP using the data base of MITESS.



- Drawbacks affecting school leavers is the labor recruitment processes by companies. Some companies in searching for new recruits (employees) launch advertisement through journals, demanding applicants to have a minimum of 5 years of work experience on the specific skills. This procedure may stimulate poaching.
- That why Field Ready Alliance Mozambique has recently started promoting a promising practice in supporting skills development.

Conclusions



- TVET needs to be governments priority. Member states should consider increasing investment in TVET and diversifying financing: ROI to individuals, enterprises and governments;
- Good policies have been adopted but still need expertise, infrastructure and organization
- Tendency of misallocation of training funds;
- Firms fearing to train their workers because of poaching and “free rider” problems;

Recommendations



- Need for promotion of extensive and permanent consultation and sensitization with employers
- Training fund strategy adopted should address the concerns of companies, workers society and the government as a whole;
- It is recommended that further studies be conducted to explore the possibility of funding training that do not necessarily mean monetary.



Thank you !