

POLICY BRIEF

Investing in Youth Skills to Support Sustainable Growth in Timor-Leste



TVET reforms can create pathways for graduates to choose whether to join the job market or pursue further studies. Photo credit: ADB.

Increasing private sector participation in training can help build employer confidence and prepare graduates for the job market.

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Introduction

Recognizing the importance of building human capital as essential for sustainable economic growth, the government of Timor-Leste has identified investments in education a key pillar of the country's post-pandemic recovery. A vital component of this plan is to strengthen and expand technical and vocational training—a tool to increase the employability and productivity of the workforce.

The Timor-Leste Technical and Vocational Education and Training (TVET) Plan 2011–2030 provides long-term objectives and includes bold targets for technical and vocational education. Over the past decade, the country undertook significant efforts to establish a formal and regulated TVET system in collaboration with the National Labor Force Development Institute, Secretariat of State for Training and Employment, and the Ministry of Education, Youth and Sport.

In 2011, the government announced an ambitious plan to expand the Ensino Secundário Técnico Vocacional—the secondary technical schools network—to cover 60% of secondary students by 2030. Significant investments are needed to achieve this objective and ensure high quality education delivery.

While the Education Sector Plan 2020–2024 updates objectives for pre-school, primary school, junior and general secondary education such as the costs of activities beyond 2023 and provides the base for updating the National Strategic Education Plan 2011–2030, it does not address updates for TVET.

This policy brief provides recommendations for the development of an Ensino Secundário Técnico Vocacional implementation strategy to complement updates in the Education Sector Plan 2020–2024 and the National Strategic Education Plan 2011–2030.

Addressing High Youth Unemployment

One of the government's urgent challenges is to create jobs for the rapidly growing youth population. Unemployment among youth aged 15–24 stands at 32.9%—significantly higher than the national average of 5.3%.

The share of youth not in education, employment, or training (NEET) stood at 24% in 2016, the highest in Southeast Asia. Timor-Leste has the typical challenge of geographic isolation with negligible foreign direct investment inflows despite minimal trade barriers.

The private sector can play a bigger role in employment creation, but its development is hindered by the limited financial market and structural impediments in doing business. Improving market efficiency by strengthening governance and legal frameworks for businesses is vital. However, even with limited jobs in the public and private sectors, the issue of productivity and mismatch between demand and supply is impacting the labor market.

Timor-Leste continues to rely on immigrants to fill mid-level skills positions, while a large number of its youth leave the country to look for job opportunities overseas. Reinforcing the TVET system is critical to increase the employability and the productivity of the country's local workforce rather having companies rely on foreigners.

The government has set an ambitious goal of having 60% of secondary students enrolled in TVET by 2030, requiring significant investments in both diversity of courses and quality of education. Between 2015 and 2018, 15,000 more students enrolled with the increased availability of technical-vocation secondary trainings.^[1] However, there is need for new infrastructure to cope with the increasing number of students so the government is either building new schools or converting general education schools into TVET schools to address this concern.

Allocations for education have seen an increasing trend in the past decade, both in volume and in budget share. The Human Capital Development Fund allocates funds to all TVET line ministries and to the Secretary of State for Training and Employment. But while the budget reached as much as \$40 million in 2014, this has been cut through the years. In the government's post-pandemic recovery plan

published in 2020, budget for the fund suffered significant drop between 2020 and 2021 while allocations to scholarships for overseas education continue to represent a share equivalent or larger than allocations to vocational and technical training.

Current TVET System

Due to lack of adequate budget, informal and non-formal vocational training have in the past played an important role for young people who have been out of the formal vocational or general education system. [2] The role of communities in the transmission of skills and knowledge played a central role in the delivery of training, with training more oriented toward livelihood skills. A 2010 International Labour Organization survey showed that 22% of employed persons had received training through a friend or family member and 47% were self-taught. This highlights the limited role played by TVET in skills training.

After the publication of the National Strategic Education Plan 2011–2030, the government accelerated the formalization of the TVET sector with the establishment of a system of certificates from Levels 1 to 5. Following the completion of junior high school, students have the option to enroll in technical secondary schools (Levels 1–3) for 3 years to obtain a technical and vocational certificate in specific fields of training such as agriculture or construction.

Experienced workers can directly enter Level 3, conditional to passing an admission examination. Post-secondary education is provided in the form of TVET certification courses for 1–2 years in various areas including general mechanics, ICT, and agricultural mechanics—after which the graduates obtain a Level 4 certification. Again, they can either join the job market or continue tertiary education. TVET programs at tertiary level are offered at Polytechnics for 2–3 years. If a new graduate decides to study further, he will obtain a Level 5 technical and vocational diploma—the highest vocational qualification and provides entry in general tertiary education.

Despite the progress of formalization and institutionalization, the existing TVET system still does not meet the requirements of the country in terms of volume, coverage, and quality. Relevance in the job market needs to be kept in mind to address (i) revision of the curriculum, (ii) enhancement of teachers' capacity to ensure learner-centered knowledge, and (iii) provision of appropriate infrastructure to deliver quality technical education.

The lack of connection between the current TVET system and the labor market can be seen by tracing the careers of its graduates—less than 10 of 300 graduates from the 2015–2016 cohorts had been placed in employment in the past two years. Rather than opening doors to employment, the Ensino Secundário Técnico Vocacional is considered only at par with normal schooling with over half its new graduates choosing to either continue their studies further or complement their education with a language course in order to study abroad. The small number who chose to enter the labor market end up earning the same remuneration as unskilled workers and significantly less than university graduates, hampering the attractiveness of the Ensino Secundário Técnico Vocacional education route.

Way Forward

A strong and dynamic TVET system represents a huge potential for the Timorese youth who currently face important challenges, both in terms of access to good quality education and entry into the job market.

However, the existing framework fails to respond to these needs. Accelerating the reform of the TVET sector is urgent to enhance the link with the labor market and improve the quality of learning.

After extensive consultations with government, nongovernment organizations, and education staff at the central and municipal levels, it was agreed that a detailed TVET plan would be developed for the sub-sector. Recommendations to feed the Ensino Secundário Técnico Vocacional implementation strategy to complement the Education Sector Plan and National Strategic Education Plan include the following:

Piloting education clusters. While the need to upgrade schools to higher standards is clear, doing so for the entire school network would be logistically challenging and expensive. Given the limitations of human and physical resources, a preferred approach would be to strategically select a few schools and upgrade them to base standards by providing them with resources that could be shared across institutions within their geographic location. Linking them with relevant industries would also make the sharing of technical equipment and the local infrastructure development more efficient.

Realigning the curriculum. Students' exposure to the workplace and the introduction of broader, more comprehensive core elective subjects will give them broader skill sets upon graduation. Employers have reported that youth lack “soft” skills such as teamwork, oral communication, and initiative. Integrating modules and crosscutting employability skills into the course structure, such as team-building, problem-solving, planning, and critical thinking would help address the gap.

Building a unified certification system. A national system of accreditation and qualification framework for schools would confirm minimal quality standards. The National Institute for Labour Force Development, the government agency regulating professional training activities, could be in charge of the accreditation process. A technical working group of the Ministry of Education, Youth, and Sport and National Institute for Labour Force Development was set up with Asian Development Bank (ADB) support to initiate assessment and certification mechanisms for technical secondary graduates.

Diversifying post-TVET opportunities to respond to the aspirations of the youth. The school

system can create pathways to allow graduates to choose whether to directly join the job market, continue with advanced studies at university, or further specialize in a skill through a vocational training center. Integrating advisory and guidance services as part of the school system would also support the TVET system and the students' entry into the job market.

Strengthening the link between vocational training and the labor market. A labor market supply and demand study indicated that employers have poor perception on the credibility and quality of existing vocational programs. Increasing private sector participation in the training system would help build employers' confidence and increase the preparedness of graduates for the job market.

Training school personnel and following a needs-assessment, specific areas of capacity development requirements for professors. A capacity development plan for teachers, school leaders and administration needs to be integrated in the broader Ensino Secundário Técnico Vocacional implementation strategy to improve the quality of schools and maximize investments. Training teachers in information and communications technology (ICT) methods, learning resource methods, and enhanced pedagogy skills can greatly enhance educational outcomes. A ministry-level capacity development also needs to be integrated to enhance planning and management skills within the Ministry of Education. ADB has initiated support with field visits to the Philippines and Indonesia as examples of well-established national technical education and assessment systems.

Developing TVET in the context of a country in fragile and conflict-affected situations.

Skills development policies play a key role in development policies and programs and in reinforcing social cohesion and stability. Developing a TVET strategy for Timor-Leste needs to be sensitive to its fragile context as a young nation and must account for various factors such as the limited absorptive capacity of line ministries, the need for large investments in human capacity within the public sector, the underdeveloped private sector which hampers the entry of young graduates into the job market, and the demographic implications of a young population.

Acknowledging the growing importance of technology. The pandemic and its devastating impact on access to education, with students kept out of school for over a year, has increased the need to rethink tools and techniques for learning and teaching. New methods to complement face-to-face learning has been emphasized. The challenge is to establish a modern system with Timor-Leste's constraints which include inadequate ICT infrastructure, limited computer literacy among teachers, and issues of connectivity in public infrastructure.

This policy brief was prepared by Elsty Davidz-Morato, Claire Potdevin, and Kavita Iyengar.

[1] Ministry of Education, Youth, and Sports. 2020. *Education Sector Plan (ESP) 2020-2024*. Dili.

[2] UNESCO TVETipedia Glossary defines informal training as training that usually occurs on the job through interactions with co-workers as part of the day-to-day work, while non-formal training refers to organized educational activity and training outside the established formal system.

Resources

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