# Iran TVET System - new reforms to boost coordination

#### **Abstract**

The skills training system in Iran lacks coordination between stakeholders and its official, informal, and non-formal subsystems. Parliament approved the Comprehensive System of Technical and Vocational Education and Training Act (CSTVET) in October 2017, and the High Council of TVET was established in 2019 to improve technical and vocational training governance by coordinating its formal, informal, and non-formal subsystems and skills training suppliers and demanders. The new coordination system relies on the TVET High Council's leadership and the Ministry of Cooperative, Labour, and Social Welfare as the High Council's secretariat. This article examines the challenges posed by the model of coordination established by the CSTEVET Act and embodied in the structure and functions of the High Council. According to the findings, there are two main issues preventing the new coordination-boosting reform from having distinct and tangible results in enhancing the governance structure and operation of Iran's TVET system in comparison to previous regulatory initiatives. One is the limited authority of the High Council in its function as coordinator. The other is insufficient compliance on the part of the High Council and its secretariat structure to the tripartism principle.

**Keywords:** TVET system, TVET reforms, Governance structure, Coordination boosting, Iran.

## 1 Introduction

As in many Technical and Vocational Education and Training (TVET) systems, one of the main challenges of the skills training system in Iran is the lack of sufficient coordination between multiple stakeholders, as well as among its formal, informal, and non-formal subsystems (see figure 1). Skills training providers usually make their own choices in terms of the aims, curricula, and evaluation of the training courses. At the most, they see themselves obliged to be compliant with the policy priorities of their respective ministries. In the same way, as the main beneficiaries of training system outputs, enterprises and employers often have no active role in the process of training. The long-term result of this challenge has been a large skills gap in the labour market, and widespread dissatisfaction among employers with the competencies of the labour force. According to the last annual report of the Asian Productivity Organization, Iran has one of the lowest shares of labour productivity in per capita GDP in Asia (APO 2020, 30).

In October 2017, the Comprehensive System of Technical and Vocational Education and Training Act (CSTVET) was approved by the Islamic Parliament. The aim of CSTVET is to enhance the governance of technical and vocational training through further coordination between its formal, informal, and non-formal subsystems on the one hand, and between

suppliers and demanders of skills training on the other. In accordance with Article 6 of the Act, the High Council of TVET was established in 2019 as one of the main pillars of the comprehensive system.

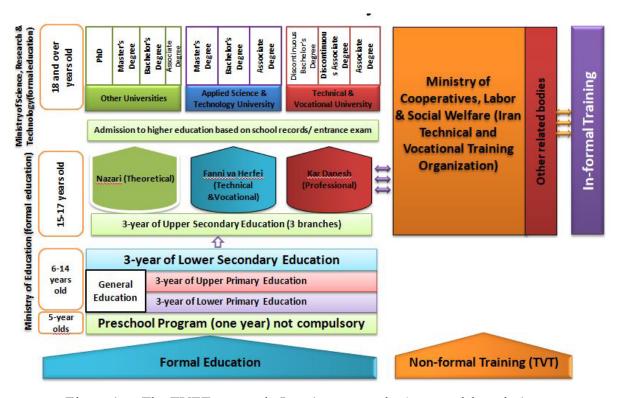


Figure 1: The TVET system in Iran (source: author's own elaboration)

It is worth mentioning that this is not the first time that a TVET coordinating body has been established in Iran. The country's TVET system has been ruled by at least three different governance regimes during the last decades, led by high-level organizational entities: the High Council of Apprenticeship in 1970, the Technical and Vocational High Council in 1980, and the High Council for Coordination of Technical and Vocational Education in 2000. Each of these governing bodies faded out over time as their functions were diminished. There is a lesson to be learned here: the very formation and function of an overarching body do not guarantee the governance improvement of the training system. The good performance of these entities is dependent on certain considerations and requirements in their structure and procedures.

This article aims to identify ways to improve coordination between stakeholders of the TVET system in Iran in the framework of the newly enacted CSTVET Act and the establishment of its respective High Council. Therefore, the policy question is, 'How could the coordination between stakeholders of the TVET system in Iran be improved?' In addressing this policy question, we will analyze the core model of coordination underpinned in the CSTVET Act and embodied in the High Council structure and functions using the evaluation framework provided by ILO and UNESCO in 2018 (ILO & UNESCO 2018).

The article relies on the information needed for mapping the characteristics of the current coordination model of the TVET system in Iran, extracted from legal documents including the Act of Comprehensive System of Technical and Vocational Education and Training (CSTVET) and its respective executive by-law (CSTVET-EB).

## 2 Governance and coordination in TVET systems

Good governance is one of the main criteria for strong TVET systems. It is a prerequisite for efficient and effective TVET processes and indeed for having a TVET system at all (Caves & Renold 2018). TVET and skills development is by nature a complicated policy issue that cuts across traditional ministerial areas of responsibility. It acts as a bridge between the world of education and training and the world of work and lifelong learning. Therefore, every TVET system needs some sort of mechanism for promoting interaction between a wide range of its stakeholders. Therefore, the governance of vocational education and training (VET) systems should ensure an efficient, effective, and equitable system for students, while providing an equilibrium in the supply of and demand for skills across education and employment (Mende et al. 2023).

One of the core elements of TVET governance is its integration or cooperation model. Cooperation models vary considerably across different types of TVET systems and the institutional architecture of the context society. In general, legal competencies and decision-making powers in skills policy are often widely distributed in both the vertical and horizontal dimensions of policymaking. The vertical dimension concerns different levels of government, from local governments to regional and other subnational governments to the federal level. Regarding the horizontal dimension of coordination, skills policies often require collaboration between different governmental departments (OECD 2020).

In discussions on TVET systems, there has been a growing recognition of the importance of coordination in order to address complex challenges and ensure the relevance of skills training to evolving industry needs (ILO &UNESCO 2018). Coordination in TVET systems refers to the harmonization of efforts among key stakeholders, including government agencies, training providers, industry representatives, and civil society organizations. A coordinated approach fosters synergies, streamlines processes, and maximizes resources, ultimately enhancing the quality and relevance of TVET programmes. Through effective coordination, duplication of efforts can be minimized, and gaps in the system can be identified and addressed. Furthermore, coordination allows for the integration of industry requirements into training curricula, ensuring that TVET graduates possess the skills demanded by the job market.

In recent years, several countries have recognized the critical importance of coordination in their TVET systems and have implemented reforms to strengthen this aspect. These reforms aim to enhance the quality, relevance, and efficiency of TVET programmes by fostering

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collaboration among stakeholders, aligning training with industry needs, and maximizing the utilization of resources.

Singapore's SkillsFuture initiative is a notable example of TVET system coordination reform. The initiative aims to develop a comprehensive and responsive TVET system by bringing together government agencies, training providers, and industry partners. It focuses on the coordination of planning, funding, and oversight of TVET programmes through the establishment of SkillsFuture Singapore. This coordinating agency plays a crucial role in ensuring the relevance of training to industry needs and aligning TVET programmes with emerging skills requirements (ILO & UNESCO 2018).

Australia's National Partnership Agreement on Skills Reform is another intervention aimed at improving coordination among federal and state governments in the governance, funding, and quality assurance of TVET programmes. Reform efforts focused on enhancing the responsiveness of training to industry needs, strengthening employer engagement, and streamlining funding arrangements (Acil Allen Consulting 2015).

Achieving successful coordination reform in Technical and Vocational Education and Training (TVET) systems requires careful attention to specific requirements. These requirements serve as the fundamental elements for effective coordination, enabling the desired outcomes of reform efforts. Key requirements include the presence of clear policy frameworks that outline the goals and objectives of coordination, the establishment of robust governance structures that facilitate collaboration and decision-making, meaningful engagement of stakeholders including educational institutions, industry representatives, and policymakers, allocation of adequate resources and funding to support coordination initiatives, the implementation of reliable data and information systems for evidence-based decision-making, continuous capacity building and professional development opportunities for stakeholders, and the establishment of regular monitoring and evaluation mechanisms to assess the effectiveness and impact of coordination reforms. By fulfilling these requirements, policymakers and stakeholders can create an enabling environment that fosters successful coordination reforms in TVET systems, leading to improved relevance, quality, and responsiveness to the needs of industries and learners (ILO & UNESCO 2018).

# 3 The main challenges of coordination in Iran TVET

With regards to establishing overarching bodies or agencies as a strategy for enhancing coordination in a TVET system, six major types of structures and mechanisms have been identified (ILO & UNESCO 2018):

- Type 1: Led by the ministry of education or equivalent body;
- Type 2: Led by the ministry of labour or equivalent body;
- Type 3: Led by a dedicated TVET ministry;
- Type 4: Led by a TVET focused government agency or non-departmental public body;

- Type 5: Overseen by a coordinating council or apex body higher than relevant departments and
- Type 6: Disaggregated across line ministries without a permanent centralized coordination mechanism.

The mechanism for cooperation in the Iranian TVET system after the implementation of the CSTVET Act is a combination of Type 2 and Type 5. According to the model, the leading agent of collaboration among stakeholders is the High Council of TVET. The High Council is chaired by the first vice president and, in his absence, by the Minister of Cooperation, Labour and Social Welfare (MCLS). The main role of the High Council is policymaking, coordinating and auditing skills training in Iran. The members of the High Council are as follows:

- The First Vice President (chairman),
- Minister of Education,
- Minister of Science, Research and Technology,
- Minister of Cooperatives, Labour and Social Welfare,
- Minister of Industry, Mines and Commerce,
- Minister of Agriculture Jihad,
- Minister of Culture and Islamic Guidance,
- Ministry of Health, Treatment and Medical Training,
- Chairman of Plan and Budget Organization,
- Two members of the Parliament (one member from the Committee on Education, Research and Technology and one from the Committee of Social Affairs) as observers introduced by the parliament,
- Chairman of Chamber of Cooperatives of Iran (no right to vote),
- Chairman of Chamber of Commerce, Industries, Mines and Agriculture of Iran (no right to vote),
- Chairman of Chamber of Guilds of Iran (no right to vote) and
- Three experts and professionals in the fields of TVET and the labour market (no right to vote).

The first vice president appoints the secretary of the High Council. The secretariat of the High Council is settled in the Ministry of Cooperation, Labour, and Social Welfare and has three professional working groups in the fields of steering and coordination in policymaking, vocational qualification, and monitoring and assessment.

So far, the High Council has held three meetings and made decisions mostly on procedural issues. Therefore, it is too soon to perform a result-based evaluation of its performance. However, reviewing the institutional architecture and procedures of the High Council in light of the past experiences of forming and functioning a corresponding entity in the TVET system would reveal the main challenges before coordinating tasks in the new Comprehensive System of TVET.

UNESCO & ILO (2018) have developed a framework for analyzing models of interministerial coordination based on case studies of the governance structure of TVET systems. The framework comprises six critical features that determine the success of a country's interministerial coordination. What follows is a quick examination of the coordination model of the Iranian TVET system in terms of the three critical and most relevant features of the framework.

#### 3.1 Responsibility underpinned by the authority

The first critical feature is the reasonable proportionality between the responsibility and the authority of the coordinating body. The effectiveness of the coordination work of different ministries and government agencies will depend heavily on the authority bestowed on them. In analyzing the authority of the TVET High Council to coordinate, the chairing role of the First Vice President ensures the authority and ability of the High Council to make decisions and ask for compliance from the ministries. However, there are important concerns about some features that may negatively affect the authority of the High Council over time. Firstly, as determined by Article 6 of the CSTEVET Act and Article 2 of its respective Executive Bylaw, the High Council and its secretariat have been established without developing any new organizational structure for the government administration. From an administrative point of view, this feature undermines the real independence and authority of the High Council. Secondly, the settlement of the High Council's secretariat in the Ministry of Cooperatives, Labour, and Social Welfare has limited its chance to act as an authorized body in following up on the High Council's decisions. Thirdly, there is considerable overlap between the duties and tasks of the TVET High Council with the High Councils of Education and the High Council of Higher Education. Finally, there is no clear legal guarantee for implementing the decisions made by the High Council, particularly when they are not aligned with other standing regulations.

#### 3.2 Culture of Governance

Another critical feature that is vital for a constructive coordination task in a TVET system is its culture of governance. The culture of governance refers to the prevailing values and norms of decision-making in a system. A good culture of governance encourages and facilitates coordination by valuing the rights and benefits of stakeholders' involvement in decision-making processes. A key element in the Culture of Governance of skills training is the commitment to tripartism and social dialogue and its role in the structuring and working of coordinating bodies. ILO Recommendation No. 195 on Human Resources (2004) suggests the involvement of social partners and social dialogue in various areas of skills training policymaking.

In connection with this feature in the Iran TVET High Council, there are some risks to be addressed. Employers have three representatives in the High Council: Chairman of the Chamber of Cooperatives of Iran, the Chairman of Chamber of Commerce, Industries, Mines, and Agriculture of Iran, and the Chairman of Chamber of Guilds of Iran. Although employer

members of the High Council, as indicated in Article 6 of the CSTVET Act, have no right to vote formally in making decisions, they have the chance to be involved in discussions. Furthermore, the employers are members of three working groups of the secretariat, which are responsible for providing the High Council with the technical consultations needed for performing its duties. (See articles 7, 8, and 9 of Annex 2). However, the situation is quite different concerning the role and responsibility of workers in the High Council and the secretariat. Workers have no members in the High Council, and no one represents them in working groups of the secretariat.

## 3.3 Influence on Funding

For successful inter-ministerial coordination, the issue of control over funding is crucial. This function ensures that the decisions made by the lead entity are enforced, and there is a mechanism for guaranteeing the cooperation of stakeholders.

Article 4 of the CSTVET Act mentions that "the coordination and supervision of the budgeting and allocation of resources and facilities to different organizations supplying the training" is one of the tasks and duties to be fulfilled by the TVET Comprehensive System. Also, according to Article 10 of the same document, the duties of the System described in Article 4 with a financial burden will be funded by relevant supplying organizations within their legal responsibilities. However, the Executive By-law of the Act is completely silent on the subject. This means that, in practice, there is no clear and defined procedure for the High Council to be engaged in funding issues.

#### 4 Conclusion and recommendations

The challenges reviewed above are not unique to the current model of coordination building in the Iranian TVET system. With some differences, they mirror the kind of challenges that previous governing entities responsible for coordination were faced with. Lessons learned from past experiences could help to offer suggestions concerning the model of coordination included in the Comprehensive System of TVET. Therefore, this policy brief suggests the four specific recommendations presented below.

Concerning the challenge of the insufficient authority of the High Council and its secretariat, it is worth mentioning that the coincidence of the implementation of the government administration downsizing policy with the establishment of the High Council has had a serious impact on the independence and performance of the latter. Currently, the administrative burden of the secretariat has been placed on the Institution of Labour and Social Security, one of the research bodies of the MCLS. This would hinder the independence and authority of the secretariat in following and monitoring decisions made by the High Council across other ministries. Bearing in mind that the First Vice President is responsible for chairing the high council, a solution for retaining the high Council and its secretariat authority is to transfer the responsibility of the secretariat to a new department in the office of the First Vice President with qualified personnel and resources. Affiliated to the office of the

Vice president, the secretariat would benefit from the high administrative position needed for pursuing its mandate, particularly in the context of the current inter-ministerial competition on TVET issues.

Another effective way to sustain the authority of the high council is to equip it with an integrated TVET national policy. A TVET national policy would mobilize the high council's efforts and resources around governance issues instead of sporadic issues diagnosed and tabled by the ministries.

Furthermore, assigning the task of making decisions concerning the funds of TVET and the financing affairs of the related ministries to the High Council is another solution for enhancing and sustaining its authority. As mentioned earlier, this possibility has been considered in the CSTVET Act, and it should be formulated in the Executive By-Law of the act by proposing an amendment.

Concerning the tripartism issue in the structure of the High Council, urgent intervention is needed. This challenge would adversely affect the credibility and legitimacy of the decisions made by the High Council. It is recommended that the MCLS propose the required amendment to secure the equal involvement of workers and employers, particularly with their right to vote in the High Council and its secretariat. This feature is vital for developing the next ring of coordinating bodies at sectoral and regional levels, which is anticipated in Article 9 of the CSTVET Act and Article 10 of its Executive By-law. Similarly, social dialogue within the TVET system and institutions between employers, school boards, and trade unions representing teachers and trainers is important. Social dialogue, when effectively embedded in the institutional culture of the TVET system, may provide stability in policies and practices on TVET issues as a consequence of political changes.

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