

This is not an ADB material. The views expressed in this document are the views of the author/s and/or their organizations and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy and/or completeness of the material's contents, and accepts no responsibility for any direct or indirect consequence of their use or reliance, whether wholly or partially. Please feel free to contact the authors directly should you have queries.



9th International Skills Forum Reimagining Education and Skills Development for a New Normal

23 August 2021 • 1–5 p.m. (Manila time)
24 to 27 August 2021 • 2–6 p.m. (Manila time)

Improve the University–Industry Cooperation System: Why and How?

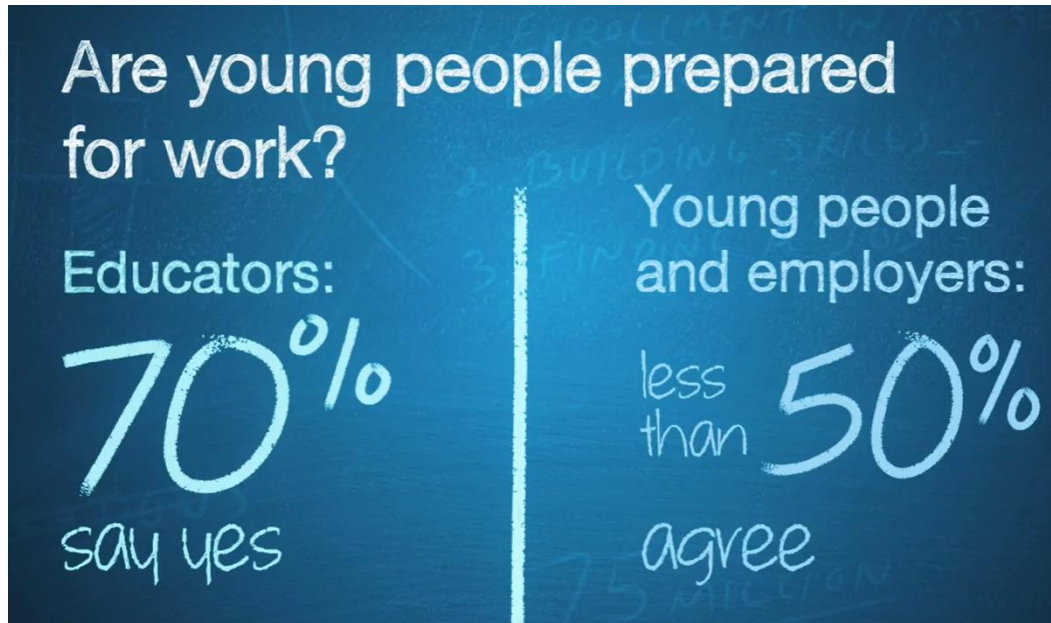
Ha, Wei
Peking University

August 26, 2021



Why we need to improve the University–Industry cooperation system?

There is a gap between the capabilities and skills education systems enable people to develop and what employers need.



McKinsey (2012): Globally

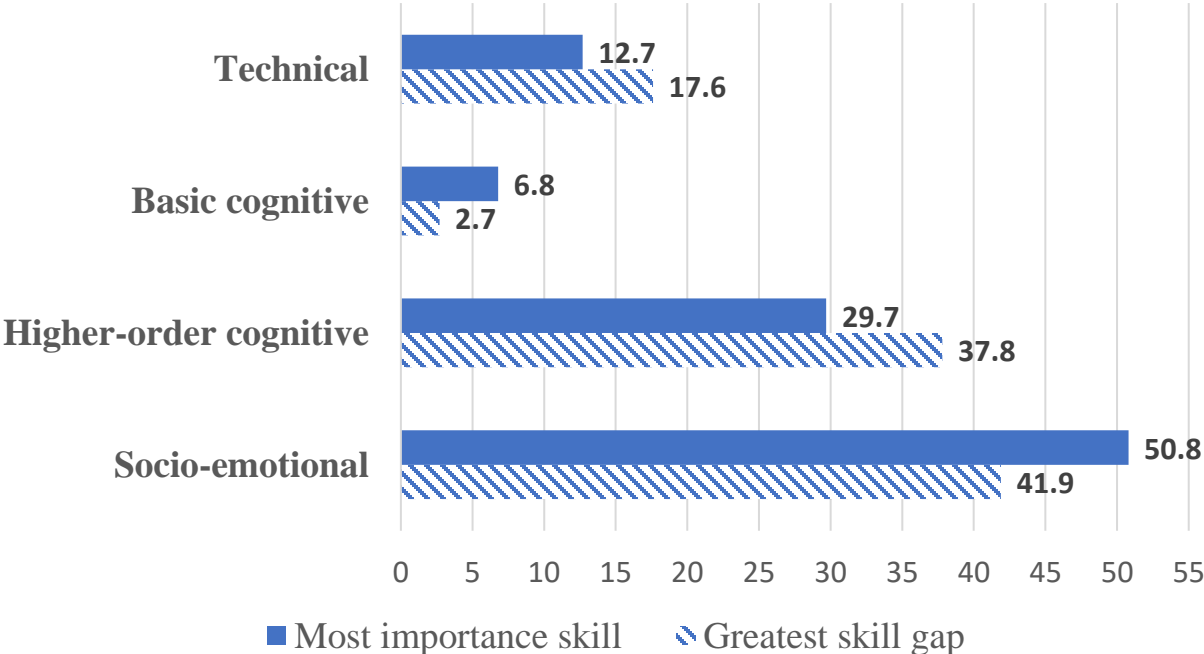
- Postsecondary education
- Participants: 4500 students, 2700 employers and 900 education providers
- 9 country: Brazil, Germany, India, Mexico, Morocco, Turkey, Saudi Arabia, UK, US
- **Employers, education providers, and youth live in parallel universes.** Over 2/3 of employers have little to no interaction with education

Source: Mourshed, Mona, Diana Farrell, and Dominic Barton (2012). Education to Employment: Designing a System that Works. *McKinsey Center for Government, McKinsey & Company*: Washington, DC.

Why we need to improve the University–Industry cooperation system?

There is a gap between the capabilities and skills education systems enable people to develop and what employers need.

Employer Ranking of Most Important Skills and Greatest Skills Gaps. Percentage



World Bank (2016): Globally

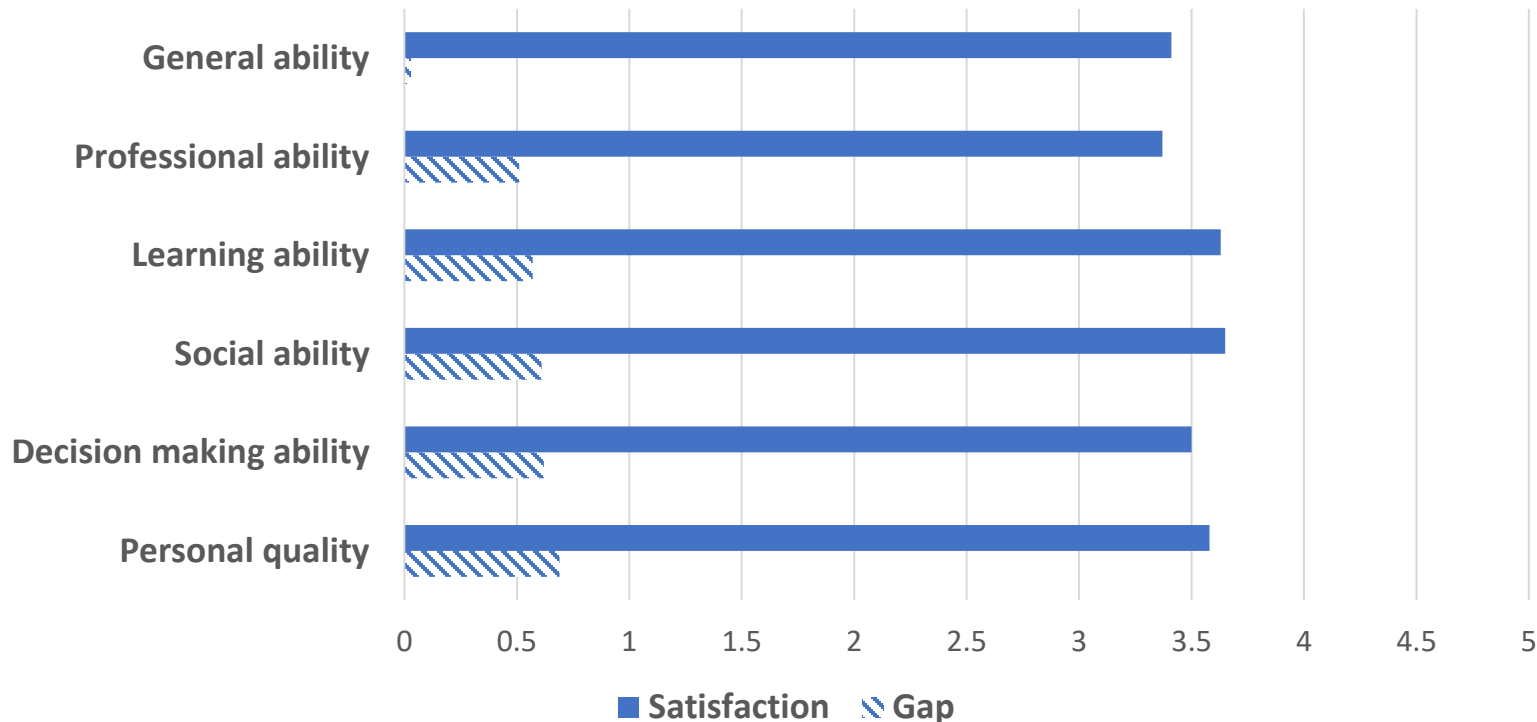
- Final sample includes 28 studies including 3 global studies and six regional studies: one from MENA, three from LAC, and two from Europe. Further, we have 19 country specific studies.
- There is a greater demand for socio-emotional skills and higher-order cognitive skills than for basic cognitive or technical skills
- Employers perceive that the greatest skills gaps are in socio-emotional and higher-order cognitive.

Source: Cunningham, W. V., & Villaseñor, P. (2016). Employer voices, employer demands, and implications for public skills development policy connecting the labor and education sectors. *The World Bank Research Observer*, 31(1), 102-134.

Why we need to improve the University–Industry cooperation system?

There is a gap between the capabilities and skills education systems enable people to develop and what employers need.

Employers' satisfaction on college graduates' skills



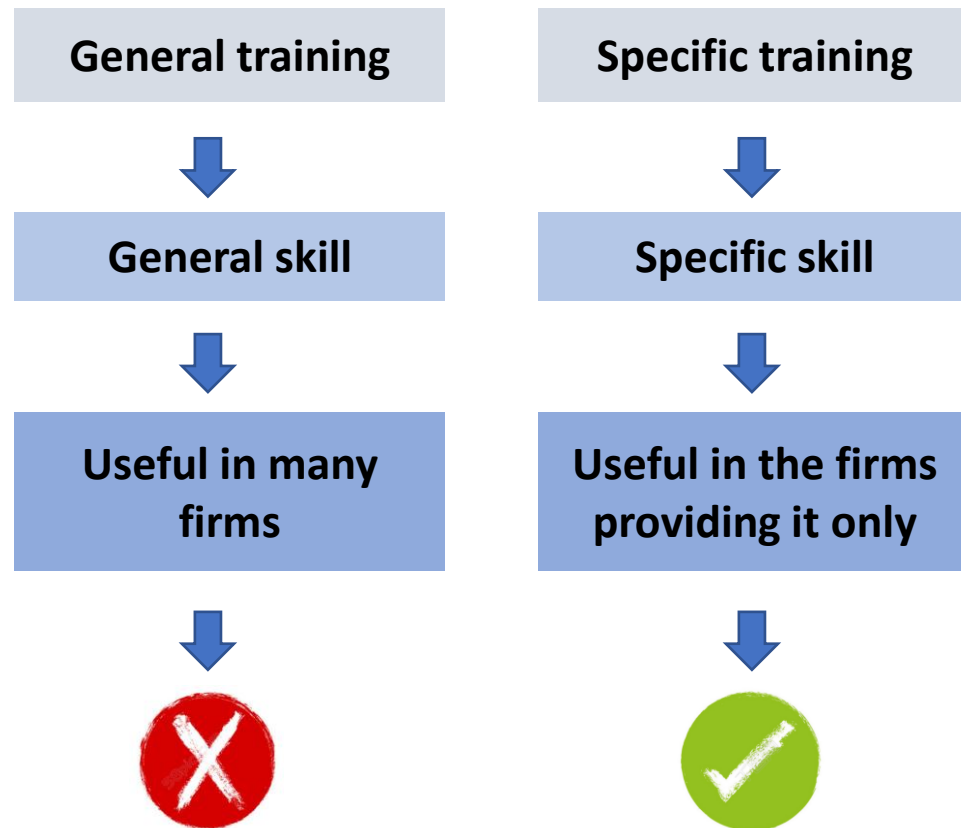
Ma et al(2019): China

- College graduates
- Sample includes 271 employers in 7 industries.
- Likert 5-point scale
- There is a gap between the perception and expectations of enterprises on students' multiple abilities, except general abilities

Source: Ma, Y. X. Zhang, X., Shi, H. (2019). Dual-Customer Satisfaction Evaluation on Undergraduate Employability. *Education & Economy*. (03):11-19

Why employers have little interaction with education?

Human capital theory (Becker, 1975)



General training

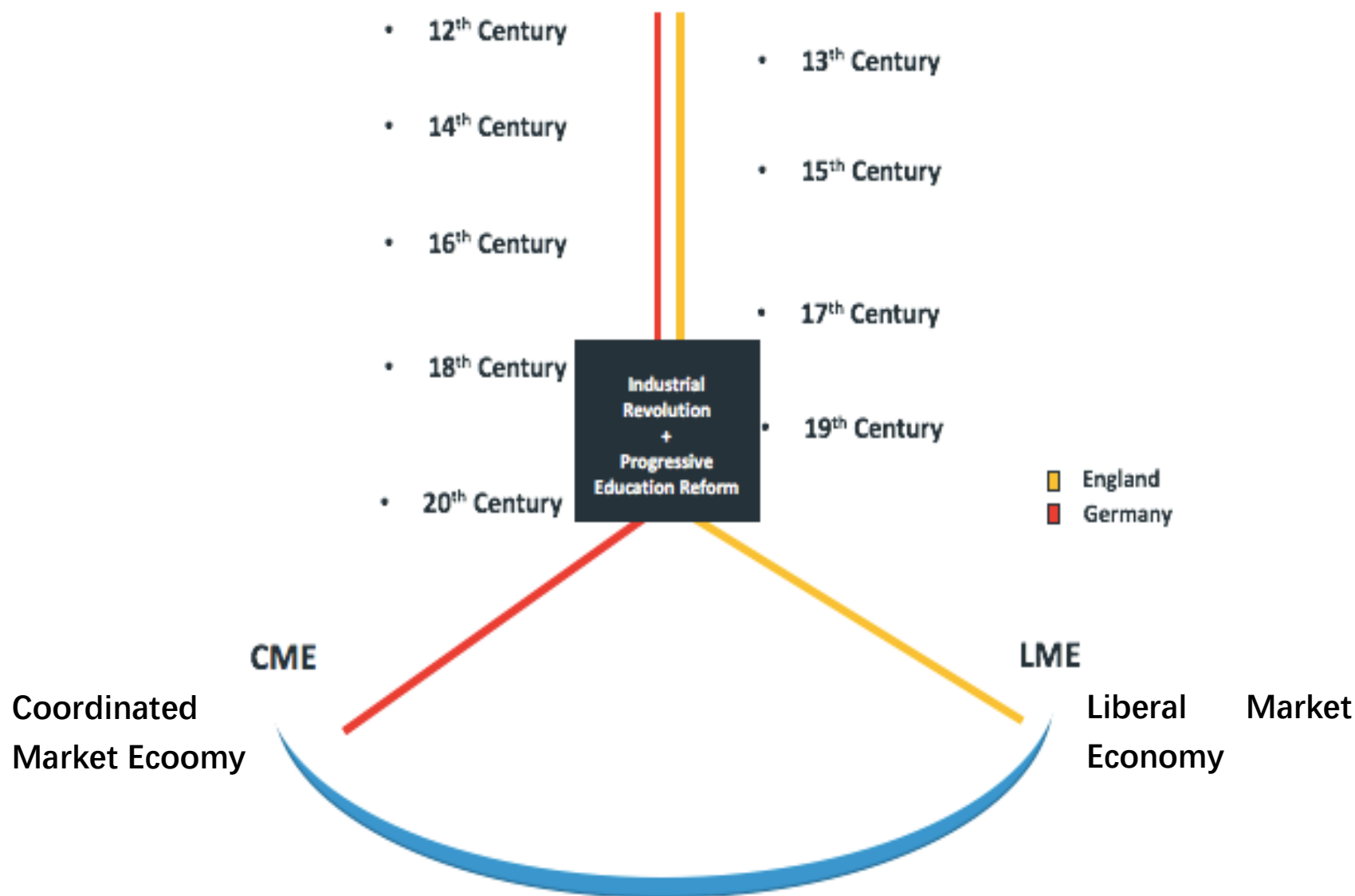
- General training increases the future marginal productivity of workers in the firms providing it; but also other firms.
- Hence the firms would not bear the cost of general training.

Specific training

- Specific training has no effect on the productivity of trainees in other firms.
- The willingness of workers or firms to pay for specific training should, therefore, closely depend on the likelihood of labor turnover.

Source: Becker, G. S. (1975). Investment in human capital: effects on earnings. *In Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education, Second Edition* (pp. 13-44). NBER.

Why did the dual vocational training system succeed in Germany?



Why did the dual vocational training system fail outside Germany?

Institutional Mismatch	Cultural Mismatch
<p>Relevant to the way important national institutions and structures of governance are organized.</p>	<p>Relevant to the distinct place of TVET within a nations culture and history</p>
Power Differentials	Sociological Mismatch
<p>Relevant to the imbalance in decision-making power between developing nations where partnerships may exist with multiple donors using varied approaches.</p>	<p>Relevant to the particular social structure of a country and how it can interfere with a country’ s ability to borrow from other systems.</p>

Source: Lewis (2007)

What can we do to improve the University–Industry Cooperation?



Individual

- The private benefits of education
 > The social benefits of education
- Public education expenditure
 > Tuitions & Taxes
- Cultural reproduction (Bourdieu)

Get involved in school

- *Be a Part-time teacher*
- *Donate to education institutions*
- *Innovative Learning content*
- *Offer internship and training opportunities*
- *Using **blockchain** to record*

Enterprise

- The enterprise value created by the highly educated talents
 > Taxes & Salary

Offset the appropriation of public education resources

Education Balance Sheet!

