

Role of Vocational Education and Training in Economic Excellence and Social Inclusion

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Abstract : In recent years, Vocational Education and Training (VET) has been under discussion by the academic researchers and remained in focus in the political grounds. Due to potential contribution of VET, the World Bank and United Nations Educational, Scientific and Cultural Organization (UNESCO) support vocational education to reduce poverty, enhance economic growth and increase competitiveness. This paper examines the impact of Vocational Education and Training on the Economic Growth and Social Inclusion with direct and mediation effect of Social Inclusion. The basic purpose of this study is to assess economic pay-offs as a result of long term investments in VET. Based on the review of Anderson Nilsson, initially we explored the increasing or decreasing trend in investment on VET. Further, the study explores that the countries which invest more on VET, tend to get more economic growth and are socially more 'inclusive'. It is a longitudinal / panel data study with 12 years of registered data which involves 24 OECD countries. The results of the study indicate the VET has positive association with Social Inclusion and Economic Growth. Further, there is also a positive association of VET and Economic Growth through mediation of Social Inclusion. The current study considers not only issue and challenges in developing VET systems but also contributes to develop the theoretical framework for considering how VET can directly and indirectly improve economic growth and social inclusion. A wider appreciation of how VET's benefits operate may influence a country's decisions to invest in it. If policy makers increase investment on VET, the result would be positive in Economic Growth and Social Inclusion. It is also recommended that the same OECD model may be implemented in developing countries like Pakistan.

Keywords : Vocational Education and Training (VET), Social Inclusion, Economic Growth, OECD countries

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