Assessing the Impacts of Vocational Training System in the Sudan: A Dynamic CGE Application

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Abstract : Vocational training (VT) has been identified as a potential engine for achieving economic and social development, particularly in developing countries, while during the last two decades it is deemed as an essential determinant of human capital accumulation. Furthermore, it has a crucial role in reducing inequality, wage gaps and unemployment and in promoting skill decomposition. Government plays an important role in the human capital formulation by providing finance for education. In some countries, a large portion of the public educational investment is devoted to academic education (primary, secondary and tertiary). This is reflected in disproportionately increasing investment in various education sectors other than vocational education and VT. Nevertheless, the finance of VT system is not likely to increase or even remain at its existing level. This paper conducts an in-depth analysis to quantify the impacts of various options for expanding the public expenditure on education as well as vocational training in the Sudan. The study uses a recursive dynamic CGE modelling framework that accommodates VT and allows depicting the impact of various policies targeting the vocational training system with special focus on the agricultural sector. This allows for depicting the potential effects of various resource allocation policies not only among education versus non-education sectors, but also between the various types of education and training. Moreover, the study assesses the role of VT system in the economy through its influence on workers' skill improvement and their movement across sectors. The results show that an increase in the public educational investment will lead to decrease the supply of low and high educated workers as results of increasing the school participation of the students in the short run. While in the medium to long run, this measure guides to increase the productivity of the labour and thus the growth rate of the gross domestic product (GDP). Therefore, the findings of the study provide Sudanese policymakers with needed information to help to adopt measures to reduce unemployment, enhance workers' skill and ultimately improve livelihoods.

Keywords : vocational training, recursive dynamic CGE, skill level, labour market, economic growth, Sudan

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