

TORINO PROCESS 2012 SOUTHERN AND EASTERN MEDITERRANEAN



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PREFACE

The Torino Process is a participatory process leading to an evidence-based analysis of vocational education and training (VET) policies in a given country. It is carried out in order to build consensus on the possible ways forward for VET policy and system development, considering the contributions of VET to enhanced competitiveness, and sustainable and inclusive growth. This includes determining the state of the art and vision for VET in each country and an assessment of the progress that countries are making to achieve the desired results. More specifically, the Torino Process is a vehicle for:

- developing a common understanding of a medium/long-term vision, priorities and strategy for VET development, exploring possible options for implementing this vision and/or making further progress;
- designing and evaluating home-grown and affordable VET policies, based on evidence or knowledge and collaboration;
- updating the analyses and achievements at regular intervals;
- providing opportunities for capacity development and policy learning within and among partner countries and with the European Union (EU);
- empowering countries to better coordinate the contributions of donors to achieving agreed national priorities.

The European Training Foundation (ETF) launched the Torino Process in 2010 and the first round was concluded in May 2011 at an international conference entitled 'The Torino Process – Learning from Evidence'. Among the outcomes of the conference was the establishment of the Torino Process as a biennial policy learning exercise founded on country ownership, participation, and a holistic, evidence-based policy analysis. The second round was launched in 2012.

The Torino Process overall is open to all ETF partner countries. This report draws on the lessons learned by the ETF. Its overall objective is to present the progress that has been made in VET policy and system development, and identify constraints and future priorities for the further modernisation of VET policies and systems in the region. It is addressed to policy makers and practitioners in the partner countries, but also to officials, researchers, experts and the donor community who are interested in learning more about the partner countries in the field of VET or related policy fields.

This report was prepared by Elena Carrero Perez, ETF expert, who analysed the information in the national reports for the preparation of this document. Valuable support was provided by Martiño Rubal Maseda and Debora Gatelli, ETF statistical officers. This report and the Torino Process are the result of a team effort. The ETF would like to take this opportunity to thank all the counterparts from the partner countries who contributed to the national reporting process in 2012, as well as the ETF country teams which facilitated the process in the countries. The ETF is also grateful to the statistical team, the internal peer reviewers and the ETF editorial board members who provided valuable input, comments and suggestions on the final draft of the document.



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EXECUTIVE SUMMARY

This regional report presents the findings of the 2012 Torino Process in the Southern and Eastern Mediterranean, drawing a distinction between the Arab Mediterranean countries (AMCs) and Israel. This paper draws on the Torino Process reports for Israel, Jordan, Lebanon, Morocco, Palestine and Tunisia, and ETF intelligence, evidence and information on Algeria, Egypt, Libya and Syria. It also draws on the main findings and messages from the Union for the Mediterranean Regional Employability Review implemented by the ETF (Martín and Bardak, 2012) and on other regional reports produced by the ETF and international organisations or external authors.

The preliminary findings of the 2012 Torino Process were presented and discussed at a regional conference entitled 'New Challenges for Skills Development in the Arab States of the Mediterranean' held at the Dead Sea, in Jordan from 25 to 27 September 2012. This conference and the concurrent High-Level Forum for Policy Leaders – attended by education and labour ministers from most of the AMCs plus a number of EU Member States and high-level representatives of the European Commission – largely confirmed the overall analysis reflected in the draft report, as recorded in the conference statement. The conference itself represented an opportunity to stress specific issues.

The Torino Process (and, in consequence, this report) tries to build on the added value of regional benchmarking and on mutual learning in similar cultural contexts to the AMCs, as this leads to stronger regional cooperation. Israel is part of the region but is also a member of the Organisation for Economic Cooperation and Development (OECD) and has a different setup, hence, VET¹ issues in Israel are dealt with separately, in order to try to illustrate the value of VET in a modern global context.

The Arab Spring has placed new demands on governments and inspired greater expectations in people across the Southern and Eastern Mediterranean. Israel, however, is a separate case, for obvious reasons. With some exceptions, the economies in the region are generally experiencing deteriorating conditions; most of the countries have acute inequality problems (in the gender, regional disparity and poverty areas). The demographic pressure on education systems and on labour markets is great and the consequences also affect other countries through migration flows. Even in past periods of prosperity, the economies of the region were not able to create sufficient jobs for their growing populations.

In the field of education and training, the Arab Spring has had the effect of pushing VET up the policy agenda in most of the countries affected. The aspirations of VET systems now reflect – in addition to economic development and competitiveness – a social dimension linked strongly to the problem of youth employment. VET strategies and action plans have been approved in the past two years in a number of countries, but the actual process had commenced well before the Arab Spring. However, a new, stronger need has arisen to ensure participation ('a shared view') in the design and implementation of VET system reforms.

Implementation of reforms in the region continues to be slow. The move from strategy to implementation is hampered by problems of fragmentation, lack of coordination among key actors, and in many cases, lack of resources. A combined approach between top-down reforms and bottom-up initiatives is still needed in most countries, together with better synergy between different types of reforms and effective coordination mechanisms.

1 'VET' is used throughout this report, as the term adopted by the EU and thus by the Torino Process. The concept of VET, which encompasses both initial VET (IVET) and continuing VET (CVET), covers primary, secondary and tertiary technical education and also adult training (in a lifelong learning context) and formal and informal learning. Considered within this broad vision is the role to be played by VET in issues such as active citizenship, local development and migration (for instance, in mobility partnerships). The term used in Israel is 'technological and vocational education and training'. In the AMCs there is no common term to define the sector. Mashrek countries tend to use the UNESCO acronym TVET (technical VET) to cover both technical education (including post-secondary and tertiary technical education) and vocational training. The fact that AMCs, moreover, do not share a common VET system architecture or institutional framework makes the search for commonalities more difficult. For this reason references are made to sub-regions (Maghreb and Mashrek) to cluster similar countries.

Looking at external efficiency, it becomes clear that the role of VET in employability and in social inclusion in the region still has to develop. The great segmentation and inequalities that characterise the labour markets, in particular for young people and for women, represent an enormous challenge for employment systems. Although many emergency employment measures have been set up in the last two years, truly effective strategies that target the most vulnerable groups are still lacking. The transition from education to work is particularly critical, with insufficient investment in career guidance and counselling, in particular for women. The traditional supply-oriented nature of VET systems and the very limited private sector participation are other factors that hinder meeting the real needs of the labour market. Although innovation is being experimented with all over the region, the overall impact of these initiatives is still not significant enough.

One important problem, which countries are trying to address by different means, is the poor social image of VET and its consequent lack of attractiveness. Apart from media campaigns and other measures aimed at improving VET's attractiveness, the crucial challenge is to improve the underlying quality of VET as delivered. As for creating vertical and horizontal pathways so that VET graduates can move upwards and across the education system and to and from the labour market, this is still at a very experimental phase. The provision of adult training in the region continues to be limited and hardly any second-chance training schemes exist for the very large number of dropouts.

As mentioned above, efforts directed at improving the internal efficiency of the system (quality) will be crucial in enhancing VET's role in the economy and in the society. Most countries are engaged in many different initiatives for reforming curricula and pedagogical methods and improving premises and equipment. However, such initiatives often remain at the level of pilots and never become mainstreamed in the system, so, sustained efforts, sufficiently supported by policy maker choices and investments, will be crucial in the coming years to reverse this trend. Many countries are also engaged in processes to improve accreditation and quality assurance, including the creation of specific institutions with this mission. However, countries in the Southern and Eastern Mediterranean lack a genuinely holistic approach to quality in their systems. Still greatly underestimated in most countries is the role to be played by teachers, trainers and school managers in reforms and the necessary investment in pre-service training, in-service training and retraining and in career conditions.

In terms of governance, countries in the region are moving gradually from the traditional centralised systems towards more participative and decentralised models. Trends towards geographical decentralisation, greater participation by stakeholders other than the governments (social partners, civil society, young people, parents and local communities) and increased rationalisation and coordination can be observed in some of the measures being developed. However, changes in governance systems are by nature slow and many of these trends are only incipient at present. A greater effort is necessary to ensure more transparency, participation, accountability and coordination in VET systems. The capacity of most institutions and partners also needs to be developed so they can fulfil their respective roles in more participatory models. Last but not least, the financing of the VET systems in the region remains an area where much further work is needed so as to be able to move to a result-oriented system. In many cases funds come from a variety of sources but in a disperse way. Given the economic and budgetary situation of many Southern and Eastern Mediterranean countries and the simultaneous need for larger but also more targeted investments, this is one of the areas where further reflection on how to fund reforms will be crucial.

Overall, trends in the region are towards VET playing a greater role in youth employability and social inclusion and participation. Quality and governance reforms will be key in achieving these goals. Efforts to reform VET systems are continuing but greater coherence and integration is required with reforms in other areas, such as education in general or employment. VET reforms need to be viewed more and more as part of a more comprehensive policy agenda in these countries in order to meet the demands and expectations of their societies and the global economy.

1. THE ECONOMIC AND SOCIAL CONTEXT FOR VOCATIONAL EDUCATION AND TRAINING²

The AMCs are highly diverse in terms of population, size, geography, stage of development and economic structure. The 2010 Torino Process nonetheless identified a number of common features that shape the context of their respective VET policies: demographic pressures, economic vulnerability and unequal development. Some of these factors have been a reality of the VET context for years, but new developments in the region during 2011 and 2012 have had a dramatic impact not only on the socio-economic context, but also on citizens' expectations and policy decisions.

Israel has specific issues of its own: its population is ageing (even if relatively young compared to Western countries); employment has been increasing since 2005 but with significant differences between men and women; unemployment (15+), at around 6%, shows no difference between men and women; poverty is distributed very unevenly across the population, with the lack of suitable jobs being one of the main underlying factors. The main factor for economic growth and for reducing social inequalities, in particular among disadvantaged groups, is investment in human capital.

1.1 THE ARAB SPRING AND POLITICAL TURBULENCE

A historical turning point was marked by 2011 and 2012, years that will remain in the world's memory as the Arab Spring. The wave of revolts led by young people in Tunisia and Egypt in early 2011 led to drastic changes in the political regimes and to democratic transition in these countries. The revolts spilled over into Algeria, Morocco and Jordan (where they prompted pre-emptive reforms) and resulted in violent bloodshed and wars in Libya and Syria. The uprisings demonstrated that people resented growing inequalities, unemployment, corruption and governance systems (inevitably headed by unaccountable leaders) which were depriving them of a voice. People, in particular young people, want more from their governments. They also want to participate in decision-making processes, to be consulted, represented and involved. If their voice is not heard, the countries risk further instability, particularly in view of the huge demographic pressures on internal labour markets, education and training systems and migration across the region and towards other countries, including the EU. Concerns regarding employment, social equality and job creation have all drawn attention back to human capital development policies, of which VET is a key part.

The VET context has also been influenced – at least in some countries like Egypt, Tunisia and Libya – by complex political transition processes that have delayed the implementation of reforms. The Arab Spring and the ensuing political developments have led to new stakeholders emerging in many countries and the development of a new vision on VET and its role. Hence, new implementation arrangements have to be developed as a result.

1.2 THE GLOBAL ECONOMIC CRISIS AND DETERIORATING ECONOMIC PROSPECTS

Economic growth across the Southern and Eastern Mediterranean slowed down in 2011 and 2012, mainly as a result of political instability in Egypt, Syria and Tunisia, and, to a lesser extent, Lebanon. Since young people occupied Tahrir Square in Cairo, the region's largest economy has shrunk by 7%, exports have fallen by around 40%, the value of imports has increased due to higher commodity prices and food prices have gone up by 21%.

² This chapter draws heavily on Martín and Bardak (2012).

The most dramatic slowdown is in tourist numbers and tourism revenues in Tunisia and Egypt, with reductions of 36% and 40%, respectively. Foreign direct investment fell more than 40% for projects in Egypt, Jordan, Lebanon and Tunisia. Remittances from expatriates decreased due to the economic recession in Europe and the forced return home of tens of thousands of Egyptian and Tunisian workers from Libya. Countries with manufacturing sectors whose export markets are in the EU, mainly Egypt, Morocco and Tunisia, were hit by the crisis in Europe.

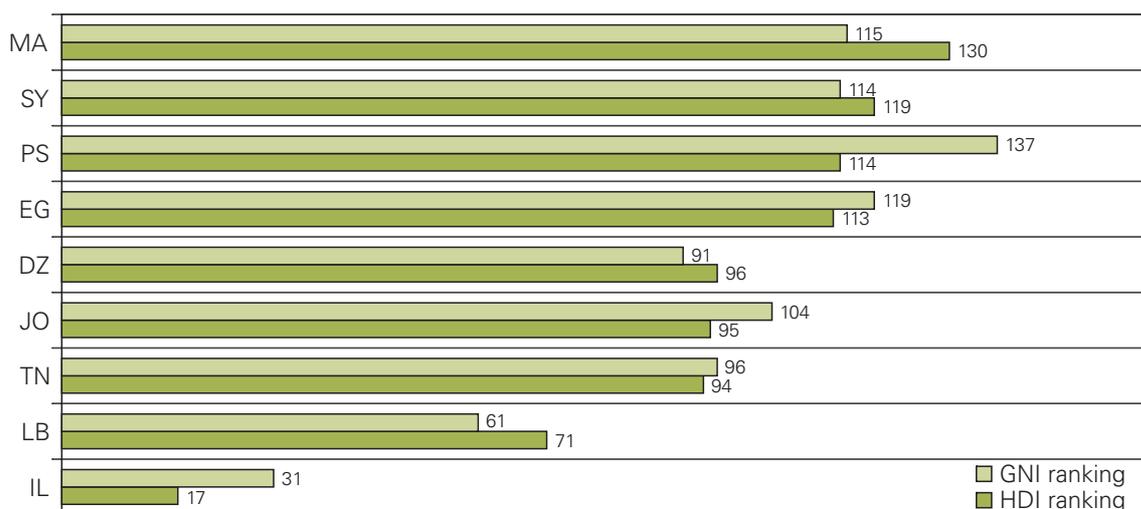
The situation seems reasonably favourable for two countries, however, Algeria and Morocco (even though Lebanon continues to have the highest gross domestic product (GDP) per capita in the region). The prospects for Algeria, an energy exporter vulnerable to international oil and gas price fluctuations, are currently favourable. Morocco, meanwhile, is the only country in the region that has weathered both the global economic crisis and regional political turbulence, retaining its pre-crisis growth rates. There has also been an element of internal regional competition for markets, for instance, between Morocco and Tunisia and in sectors like tourism.

The greatest challenge for the region is that its economies do not create enough jobs, especially for highly skilled workers. Even in the period from 2002 to 2007, sustained economic growth brought only weak demand for new labour. Primarily affecting job creation is a business environment dominated by micro, small and medium-sized enterprises and, in some countries, high agricultural employment. Of the 4.8 million formal enterprises in Algeria, Egypt, Jordan, Lebanon, Morocco, Syria and Tunisia, 98% employ fewer than 50 workers. Despite their potential for job creation, the fact is that these very small, frequently micro family businesses find it very difficult to operate in this environment and to grow (discussed further in Chapter 3).

1.3 SOCIO-ECONOMIC INEQUALITIES AS A THREAT TO DEVELOPMENT

According to the Human Development Index (UNDP, 2010), the countries in the region fall in the medium human development group, although there are considerable differences between countries: Jordan, Lebanon and Tunisia are more developed than Morocco, Palestine and Syria. A comparison between human development and national income levels reflects the fact that economic prosperity is not systematically correlated with human development: Algeria, Egypt, Morocco and Syria, for instance, have an education gap that is far below income levels (Figure 1.1).

FIGURE 1.1 RANKING OF HUMAN DEVELOPMENT INDEX AND GROSS NATIONAL INCOME



Note: The order goes from the worst to the best ranked country.
Country codes: DZ – Algeria; EG – Egypt; IL – Israel; JO – Jordan; LB – Lebanon; MA – Morocco; SY – Syria; TN – Tunisia; PS – Palestine.
Source: UNDP, Human Development Report 2010

There also are great territorial disparities correlated with rural-urban and manufacturing-agriculture divides, with, on average, a 20% income difference. In the most extreme case of Morocco, per capita household consumption in rural areas is only 54% that of urban areas, and unemployment and activity rates show differences of up to 15 percentage points.

Gauging by education, health, land ownership and political participation statistics, the region is among the most gender-unequal in the world; no country makes it into the top 100 in the 2012 Global Gender Gap report (Hausmann et al., 2012). Women's education levels have improved substantially but have not led to higher activity and employment rates. Of 135 countries, six countries in the region (Tunisia, Morocco, Lebanon, Jordan, Egypt and Syria) rank among the bottom 10 for labour force participation of women (see Chapter 1 for further details).

Poverty is the reality for large portions of the population in these countries. Depending on whether the poverty line is set at USD 2 or 3 a day, 45 or 92 million people live below said line. Some 30-40% of workers are in so-called vulnerable employment, while the working poor account for 11% of the population of the region; these include unpaid family workers (especially women in rural areas), informal workers, self-employed individuals and subsistence farmers. Overall, social policy is not comprehensive, is implemented on ad-hoc basis and lacks an overarching approach to health, education and social protection. It functions more as a charity rather than as a set of targeted welfare measures, is highly segmented and is insufficient, with income support channelled through food and energy subsidies.

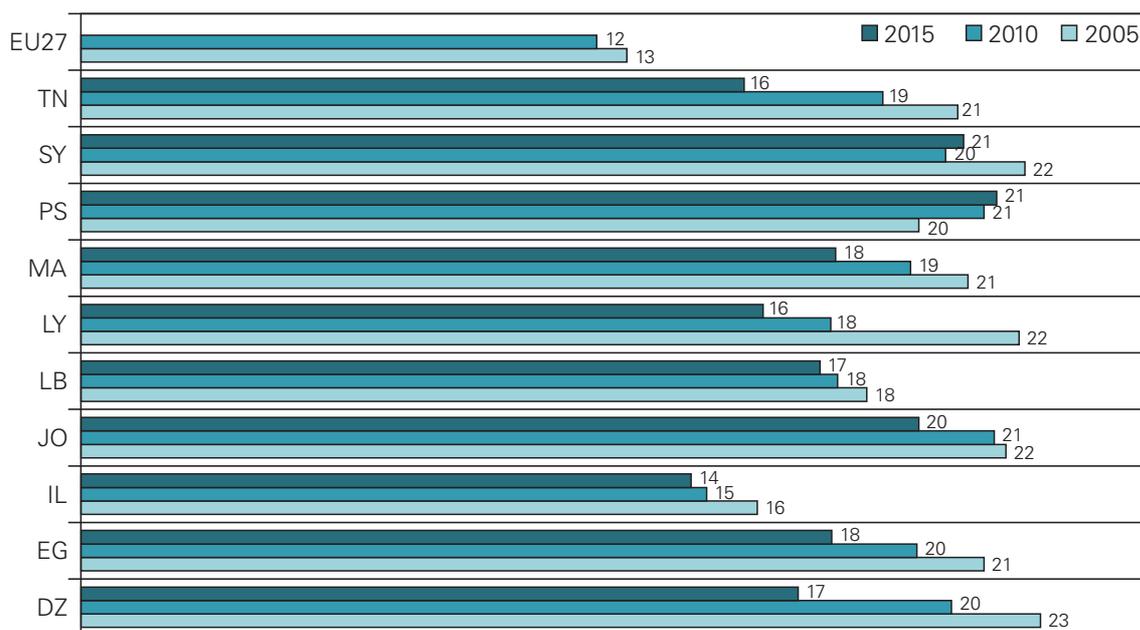
Although very good overall results have been achieved in the fight against illiteracy – rates have been halved in 20 years in the Middle East and North Africa (World Bank, 2008) – the situation continues to be problematic in countries like Morocco (68.9% and 43.9% alphabetisation rate for men and women in 2009, respectively) and in Egypt (19.7% and 36.5% illiteracy among men and women in 2010, respectively).

1.4 DEMOGRAPHICS: A TIME BOMB

Some 200 million people inhabit the AMCs – a higher population than in any of the other ETF cooperation regions. Populations varied from 4.0 million in Palestine to 82.5 million in Egypt in 2011. Annual population growth has generally stabilised (with some exceptions), but demographic pressures remain severe, even though most countries have at least initiated demographic transition phases. Around 61% of the population is aged under 30 (UN, 2011). Although young populations are considered a gift in some ways, the reality is that this scenario has knock-on effects on education and training systems and on labour markets, especially in the more populated countries, as there is great pressure to absorb growing numbers of young people. If demographic issues are not addressed, the consequences for the coverage and quality of the education provided and for socio-economic stability are potentially serious.

Demographic pressures are also exerted to a dramatic extent in labour markets. If current trends continue, the working-age population will increase from 125 million to 167 million by 2030 (34%) adding another potential 42 million job seekers to the existing labour force by 2030. In Egypt, 715,000 new job seekers enter the labour market each year even at the current very low activity rates. These numbers would increase if women became active in the labour market. Already today, the Southern and Eastern Mediterranean countries are struggling not only to absorb this mass of young people into labour markets but also to provide them with housing, education and infrastructure (**Figure 1.2**).

FIGURE 1.2 PERCENTAGE OF POPULATION AGED 15-24 (% OF TOTAL POPULATION)



Note: LY – Libya.

Sources: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, *World Population Prospects: The 2010 Revision*, <http://esa.un.org/unpd/wpp/index.htm> (population projections); EU-27 data – Eurostat, online database (population on 1 January, structure indicators), http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database; 2010 – provisional data

As a response to demographic pressures, labour emigration has intensified. Emigrants from the Maghreb have traditionally turned to Europe but face problems of integration due to the lack of formal jobs in the receiving countries (mainly Spain, Italy and France). Emigrants from the Mashrek tend to gravitate towards other countries in the region (for instance, Egyptians to Jordan) or to the Gulf States. Lebanon typically sends its high-skilled workers to North America, where Lebanese networks are well in place and so facilitate inclusion. Emigrant remittances help reduce poverty and account for a significant share of GDP in Lebanon (22%) and Jordan (15%). The emigration of university graduates is causing a loss of human capital (especially in Lebanon), qualified labour shortages in certain sectors (Morocco and Tunisia) and higher reservation wages – and hence higher labour costs – in certain skilled professions.

Jordan, Lebanon and Syria receive immigrants, mainly as a result of the long-standing Palestinian refugee problem and, more recently, due to the arrival of refugees from Iraq. The refugee situation is becoming even more dramatic as the violent situation in Syria deteriorates further; since the start of the conflict, 160,000 refugees have entered Jordan. The economic boom of recent decades has also attracted immigrant workers to Jordan and Syria, mainly from Egypt, Indonesia and Bangladesh. The Maghreb countries, meanwhile, receive increasing numbers of transit immigrants from sub-Saharan Africa.

KEY ISSUES

- The Arab Spring has placed new demands on governments and has inspired greater expectations in people in the countries of the region. Political turbulence has, in some cases, affected the implementation of reforms.
- The economies of the region, with some exceptions, are experiencing deteriorating conditions. But, even in times of economic growth, the basic problem remains that AMC economies are not able to create sufficient jobs for their growing populations.
- The region is marked by acute problems of poverty and inequality between genders and regions and has no social policies suitable for dealing with these inequalities.
- The huge demographic pressures on the education systems and labour markets is a threat to stability and has consequences, not only for the AMCs but for their neighbours (including EU countries), in particular in terms of migration.



2. POLICY VISION IN VOCATIONAL EDUCATION AND TRAINING

The Arab Spring has pushed the issue of VET to the top of the policy and political agendas of many countries (Tunisia, Egypt, Jordan and Morocco, among others, with Israel obviously having a different context than the rest of the countries in the region). The Arab Spring has raised awareness of the importance of youth employability and the need and urgency to respond to the social aspirations of sectors of society that are currently excluded from the education system. Many governments believe that improving VET quality and relevance can provide opportunities to people to gain relevant skills for the labour market and may even constitute an alternative to higher education. Higher education is a social aspiration in the AMCs but it is currently pumping large numbers of unemployed into the labour market, in particular in certain disciplines. VET could potentially also support enterprise growth and, at the same time, fulfil a social function that was not so evident before the revolutions. Changes have been made, for instance, to the Moroccan constitution making VET a right for all citizens and, immediately after the revolution in Egypt, the government declared TVET provision to be one of three key priorities for the country. VET could certainly break the vicious circle of poor image, low quality and low access, but this could also make disproportionate demands of the VET system.

In practice, in some countries (like Egypt), the impact of the Arab Spring has been to temporarily freeze efforts to establish a TVET strategy due to political instability. New governments in Egypt and Libya now have an opportunity to undertake the necessary work for developing their own vision of VET and strategies and action plans for implementation. Jordan and Palestine have approved VET development strategies in the last two years and action plans for their implementation have also been prepared. In Morocco, pre-Arab Spring work on developing a national comprehensive strategy has continued, although the action plan for implementation is still under discussion. Note that all recently approved strategies are mostly based on work and analyses undertaken prior to the Arab Spring and have been adapted to reflect the new demands and conditions, but only to a certain degree. While this is logical – as most of the underlying challenges remain unchanged – it is not possible to yet say that the region has a new generation of VET strategies that reflect the aspirations of the Arab Spring.

With some exceptions, namely, Morocco and Jordan, most countries have implemented lengthier and more comprehensive consultation processes and are still facing the problem of how to achieve a shared strategic vision for VET. After the revolution, Tunisia launched a broad-based national consultation on employment and foresees something similar for VET. Some countries do not have a sufficient tradition of including the views of social partners, civil society representatives or communities of parents, students or teachers. Typically the vision of VET is largely developed by governments themselves, with very limited participation. Even within governments, due to the very fragmented institutional framework of VET systems in many of the AMCs, the vision may not be fully shared among different ministries and institutions participating in VET systems. In some countries, the vision may be even broken down into several different strategies: a strategy for technical education reform, a strategy for vocational training, and so on. In some countries (for instance, Egypt), there is a dichotomous vision of VET: formal technical education versus vocational training. In Lebanon in 2010, the government approved a national education strategy framework for general education that fully excluded VET. In October 2011 the Lebanese education ministry presented a multi-annual action plan for VET but work to develop a coherent, integrated strategy is only just beginning. Another problem in the Southern and Eastern Mediterranean is the absence of a vision of VET in a lifelong learning perspective in practically all the countries.

All the countries openly recognise their VET systems to be ineffective and inefficient and have the political will to do something about it. However, a main challenge is the need for greater investment and this at a time of economic crisis that is particularly affecting Egypt, Tunisia and Jordan. It remains to be seen if governments will be able and willing to guarantee the greater investment in VET that will be necessary to achieve the often very ambitious objectives presented in the various VET strategies. Economic constraints are such that choices will need to be made in terms of formulating priorities: the frequently ambitious and

comprehensive strategy documents, in fact, often have no clear prioritisation of key objectives. Another important need will be developing synergy between VET strategies and strategies for related areas such as education and employment. Jordan and Palestine, for instance, have created links between their VET strategies and their overall national plans and Lebanon's VET strategy is linked with its general education strategy. Morocco, meanwhile, is attempting to develop a comprehensive national strategy. These are just some of the efforts being made to link up reforms. A greater use of evidence and information in policy decisions could also make a difference, in particular, in relation to how to move from general strategic frameworks to feasible actions plans that can be closely monitored and amended as necessary.

Governments in the region are often caught in the dilemma of long-term reforms and the need to show results that are visible in the short term. This leads to situations in which ad-hoc short-term programmes are set up and financed that are not necessarily consistent or articulated in an explicit manner with overall national reforms; they also contribute to fragmentation.

The region (with the exception of Israel) has, for many years, hosted a relatively large community of international donors (including the EU), many of them active for a long time in the VET sector. This has traditionally represented a huge opportunity, as external funding alleviates national budget constraints. The role of international donors has been very important in the analysis of challenges and potential solutions and in the production of strategies and action plans. However, there have also been shortcomings, in particular in terms of national ownership, strong leadership, coordination capacity, mainstreaming numerous pilots, and enabling and ensuring a consistent, long-term national policy path.

The multiplicity of projects and programmes has often led to a variety of models being implemented at pilot level that are only with great difficulty mainstreamed into the system. Many old and new donors are currently launching new interventions in the majority of the AMCs. The need for strong coordination and joint efforts, preferably led by the countries themselves, is now more important than ever before. Some countries have taken steps like setting up donor coordination offices (even within sectoral ministries), but it is still early to estimate the degree of success of these developments.

The greatest challenges in term of vision are participation, the move from strategy to implementation and building the capacity to develop comprehensive holistic strategies. The region is characterised by a very slow pace of progress in the implementation of reforms. From the 2012 Torino Process it is clear that there is not enough evidence to indicate that this approach has substantially changed. In some cases, strategies are over ambitious, in others, they are not based on empirical evidence or they lack an effective action plan for their implementation. The path being followed by countries like Jordan, Palestine and Lebanon, where they have tried to develop all these elements, needs to be closely monitored. Most countries lack the tools, however, for tracking, monitoring, assessing and evaluating strategy implementation and for taking corrective measures when applicable.

One of the key questions illustrated by the Torino Process is the need to strike the indispensable balance between bottom-up and top-down measures in the implementation of VET in the AMCs. As stated, there are examples of where too many pilots lead to no clarity in the national view (Egypt being a case in point). In parallel, there are other countries (like Jordan), where all the elements (strategy, action plan and institutional setting) have been put in place but the move to implementation fails to move forward smoothly. With decentralisation processes underway (see Chapter 3), it will be necessary to proceed in parallel with overall strategies and local initiatives that can reinforce capacities and contribute to the testing and implementation of specific measures.

In the case of Israel, the Torino Process report illustrates the respective visions of the main actors: different ministries within the government, in particular, education, industry, trade and labour, and also the Manufacturers' Association of Israel. Although the report does not show evidence of the existence of an overall VET strategy, there is overall agreement that a shortage of high-quality technological-vocational manpower at all levels may significantly harm Israel's competitiveness. Therefore, technological-vocational education has been awarded a high priority on the national agenda. It also is the necessary link between the public and private sectors regarding the main aim for reforms: meeting the needs of the economy and industry and supporting disadvantaged populations.

The vision for VET in all the countries is deeply linked to governance models (see Chapter 5). The issues of vision and governance, in fact, need to be discussed together as the vision for VET reform and the institutional environment in which it has to be implemented cannot be separated. In some countries, a natural leader to monitor the implementation of reforms is missing and the VET institutional framework extreme is very fragmented; more than 20 institutions are involved in Egypt, for instance, where discussions about the setting up of a national TVET agency are under way.

KEY ISSUES

- The Arab Spring has prioritised VET, adding a social dimension and youth employability to other more traditional economic considerations.
- In many Southern and Eastern Mediterranean countries in the last two years, VET strategies and action plans for their implementation have been developed and approved. Most of these strategies are based on analyses conducted before the Arab Spring and have undergone some adaptations.
- There is a new, stronger need to guarantee participation in the design and implementation of VET, yet there are not enough mechanisms in place in most countries to guarantee this. There is a close link with governance issues in this respect.
- Strong synergy and coordination with other reforms is indispensable in times of economic difficulties. Greater investment in VET is needed but priorities need to be set in view of the critical national budget situation in many countries. Synergy with education, employment and even economic reforms is crucial for VET to fully play its role.
- The influential international donor community in the region has given (and intends to continue giving) strong input and support to the process. However, mechanisms for coordination and for prioritising ownership are now more necessary than ever before.
- The slow implementation of reforms in the region is still a reality. To overcome this, a combination of top-down and bottom-up actions that involve practitioners will be necessary.
- In Israel, the specific visions of the different ministries and private sector representatives have the common aims of ensuring that technological-vocational education better reflects the needs of the economy and acts as a tool to support disadvantaged populations.

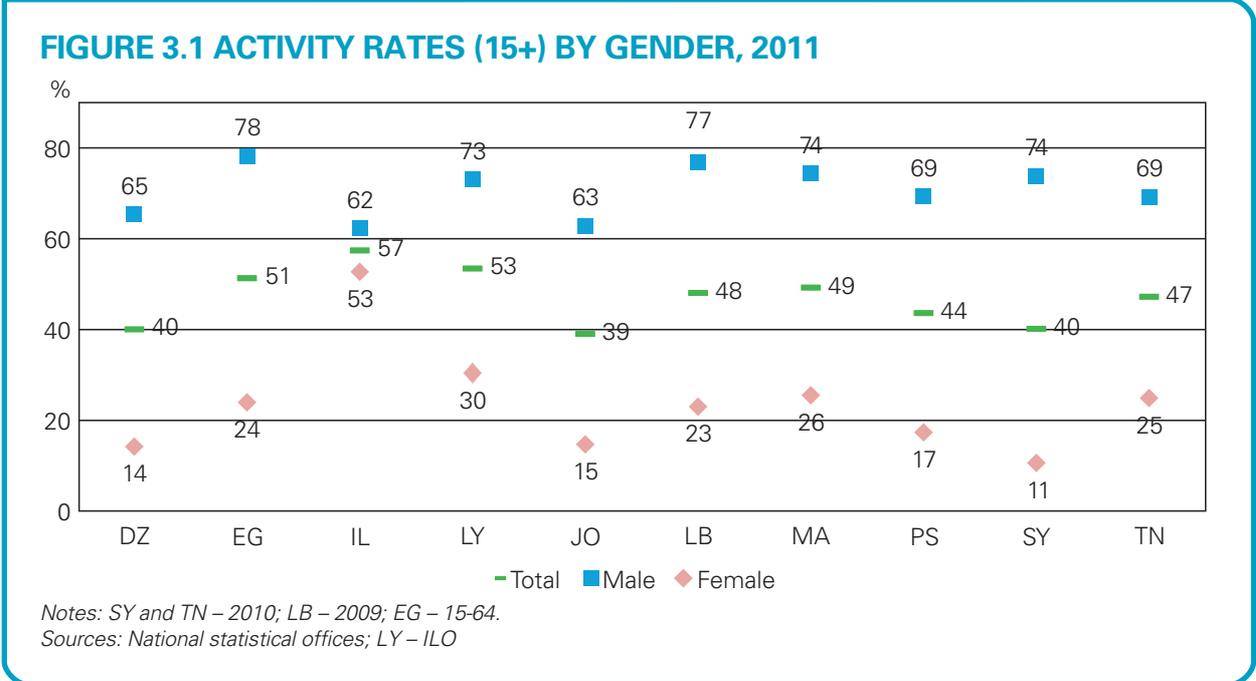


3. ADDRESSING LABOUR MARKET NEEDS AND SOCIAL DEMANDS

3.1 LABOUR MARKET SEGMENTATION, INEQUALITIES AND LIMITED INNOVATION³

As mentioned, the main challenge for the region’s economies is that these do not create enough jobs, especially for highly skilled workers. Job creation is affected by the fact that the business environment dominated by micro, small and medium-sized enterprises (SMEs) and by high agricultural employment in some countries. These small companies (often micro family businesses) find it difficult to grow because they cannot finance operations or investments, hire or invest in qualified human resources or obtain technical support services. SMEs contribute to 30-50% of economic output and create 60-70% of jobs. However, most of these jobs are in the informal sector, require low skills, are badly paid and sometimes attract overqualified workers who cannot find jobs in the formal sector. Low-productivity micro enterprises usually go out of business quickly and most SMEs never grow enough to create more and better jobs. SMEs have the potential for job creation but doing business in the region is very difficult, as the World Bank’s Ease of Doing Business Index shows: Tunisia, ranked 50 out of 185 countries, is ranked the highest in the region (World Bank, 2012). Furthermore, the sectors with the highest job potential over the short term – agriculture, construction and tourism – are sensitive to external factors, such as the weather, the global economy, political stability and also tend to be marked by low productivity.

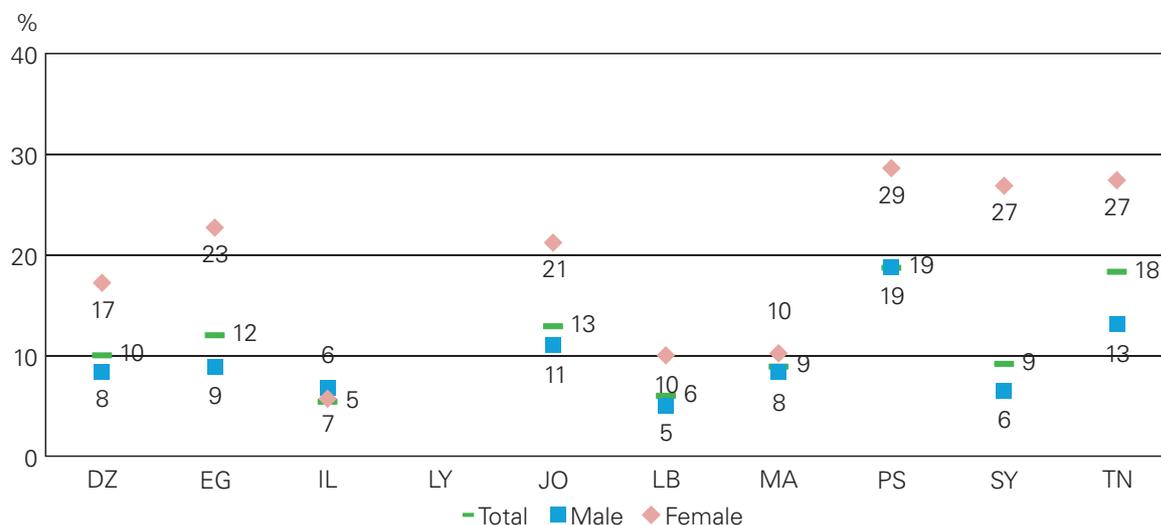
The AMCs face a number of equity problems in terms of social and economic gaps between rich and poor, the urban–rural divide and job opportunities for women and young people as compared to adult males. On the basis of the inequality adjusted Human Development Index, all the countries are rated as having mid-level human development scores apart from Jordan and Tunisia, ranked higher (UNDP, 2010). Two issues are particularly worrying: the imbalance in job opportunities by age group, reflected in high levels of youth unemployment; and the gender differential, which has persistent effects on the labour market and explains the low activity rate.



³ This section draws heavily on Martín and Bardak (2012). Averages refer to AMCs.

The low labour market activity rate (25-57%) and high unemployment rate (5-19%) have resulted in an extremely low level of total employment overall: on average, less than one working-age person in three has a job (Figures 3.1-3.2). The main explanation is the very low female activity rate of under 25%. Most women that do work are employed in agriculture (unskilled workers) or the public sector (high-skilled workers). This situation represents a major brake on economic development.

FIGURE 3.2 UNEMPLOYMENT RATES (15+) BY GENDER, 2011



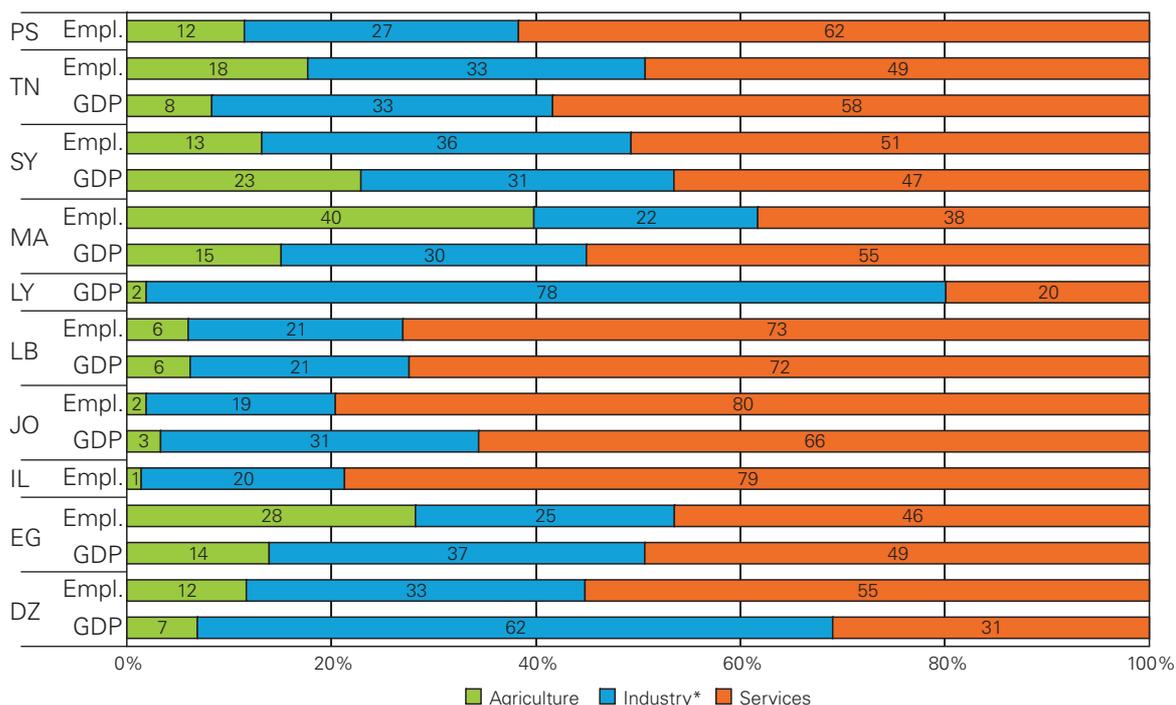
Notes: SY – 2010; LB – 2009; DZ, EG and LB – 15-64; LY – no data available.
Sources: National statistical offices

Labour markets are segmented along public, modern private and traditional private (informal) lines and by gender and education. In some countries the state is the main employer, accounting for 30-40% of jobs in Algeria, Egypt, Jordan and Syria and nearly 50% in Palestine.

The private sector is dominated by informal employment, usually highly precarious, with long working hours, low incomes, a lack of social protection and no investment in human capital. On average, two thirds of workers in the region do not contribute to or benefit from social security. Rates of informality are highest among young people and workers with low education levels; furthermore, informal employment has expanded as a consequence of the economic crisis.

By sector (Figure 3.3), agricultural employment is predominant in Morocco (40% of total employment of the population aged 15-64 years in 2011) and sizable in Egypt, Tunisia and Syria (28%, 18% and 13% of the employed population aged 15+ years in 2010, respectively). This low-productivity sector, with a high proportion of unpaid female family workers, conceals under-employment and unemployment. In other countries, service sector jobs dominate (on average 50%), although employment is mainly in low-productivity sectors like petty trade and commerce. Manufacturing provides very few jobs once construction, mining and utilities are excluded; it is also limited in terms of absorption capacities.

FIGURE 3.3 EMPLOYMENT (15+) BY SECTOR VS GDP BY SECTOR, 2011 (%)



Notes: MA – 15-64; DZ, EG, SY and TN – 2010; LB – 2009; (*) Industry includes construction.

Sources: GDP by sector – World Bank, World Development Indicators database; Employment by sector – National statistical offices

Self-employment is an important activity, accounting for around 30% of employment. It is also the main driver of job creation in the current economic context, with many people keen to set up their own business. In Algeria, Lebanon, Morocco and Jordan, over 15% of the working-age population started entrepreneurial activities between 2008 and 2011. However, the difficulties mentioned above for SMEs and for doing business act as a constraint in this respect.

Little effort is invested by most countries in the region (with the exception of Israel) in research and development activities to support economic development and innovation. According to the World Bank Development Indicators (World Bank, 2013), only Morocco and Tunisia earmark any significant amount – a very limited 1% of their GDP – for expenditure on research and development. Furthermore, even though development strategies refer to the shift to a knowledge economy, little effort is being made to invest in high-skill sectors.

In the case of Israel, the shortage of suitable employment, particularly for certain disadvantaged groups (such as Ultra-Orthodox men and Arab women), is directly linked to poverty, which remains a concern. The structure of the economy and the labour market is very different than in the AMCs, with business services providing a significant proportion of employment, followed by industry. The needs of the Israeli economy are also different, focused as it is mostly on high-tech and technology-intensive sectors and geared towards increased competitiveness. Two main objectives are identified for the VET sector: to serve the needs of the economy and to facilitate the integration of disadvantaged groups.

3.2 VET CHALLENGES AND POLICY RESPONSES⁴

Within the context defined above, and in particular now that the demands of both individuals and society have become very explicit through the Arab Spring revolts and movements, VET in the AMCs needs to adapt rapidly in order to meet these challenges and expectations. In particular, it needs to respond to certain key issues illustrated by the findings of the Torino Process, discussed below.

Policy frameworks for difficult times

According to the preliminary results of the 2012 Torino Process, most countries have launched emergency employment programmes of one kind or another, often with some kind of support from the international donor community. This is the case in Tunisia and Egypt, where these programmes mostly focus on job creation but also try to tackle the issue of skills development for certain sectors. In Algeria in February 2011, the government approved a number of measures aimed at promoting employment and reducing unemployment. There is no evidence available yet regarding their outcomes and, in most cases, it is simply too early to measure implementation, success rates and impact, in particular on young people. Some of these programmes also present difficulties for implementation (in particular when they require close coordination among many different public bodies) or there is insufficient private-sector participation, which could contribute a more realistic picture of the real needs of the labour market. In addition, the programmes often focus on the highly skilled population, excluding other more vulnerable groups.

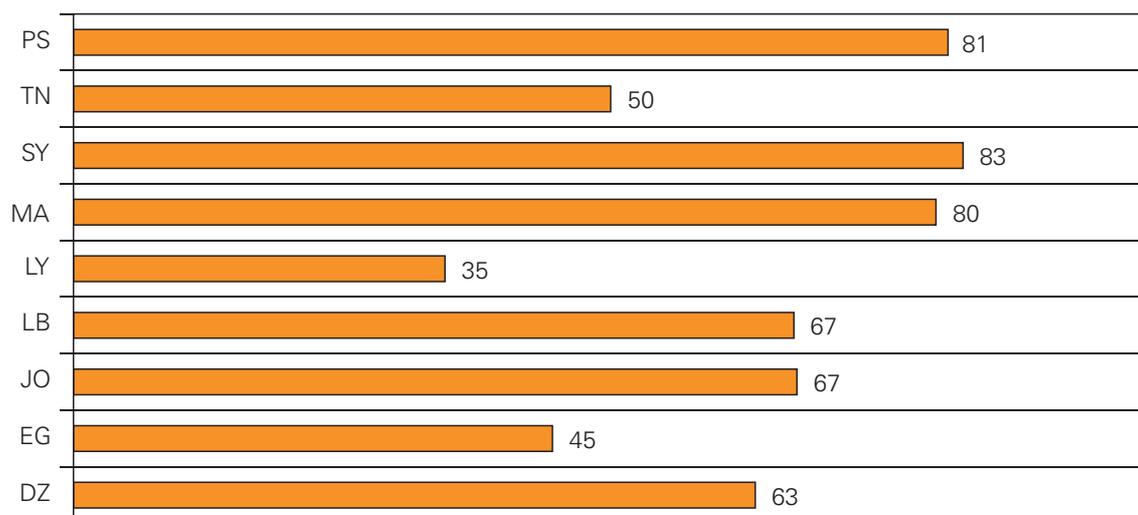
Specific employment strategies have been designed in some countries; in Jordan, for instance, such a strategy (with the approval of the National Employment Strategy in spring 2011) was officially launched in 2012 with a specific action plan and concrete links to the private sector and the TVET strategy. Egypt and Algeria have also been working for some time on the design of a youth employment or youth strategy. In Tunisia, an industrial strategy for 2016 identifies key economic sectors for employment to be addressed by sector-specific strategies. In most countries, however, there is still an absence of proper, integrated employment strategies, action plans for their implementation and sufficient tools and means for monitoring and evaluating results.

An old problem: the lack of relevant skills

The tradition of VET supply-driven systems in the AMCs is not new and has been frequently analysed. One of the root problems is the shortage of accurate and reliable labour market information, an environment strongly dominated by SMEs and an overwhelmingly present informal sector. As a matter of fact, while some countries have identified priority sectors and, thus, priority occupations (e.g. Morocco's six 'métiers mondiaux'), in general there are limited mechanisms for monitoring the evolution of national economies and, consequently, monitoring the evolution of jobs and related skills needs. A better response – in terms of labour force relevance (quantity and quality) – through training was already necessary, even before the Arab Spring, in order to change the attitudes that have long prevented the VET system from properly assessing market needs and paying attention to market signals.

⁴ Findings on VET challenges are drawn principally from Martín and Bardak (2012).

FIGURE 3.4 SIZE OF INFORMAL EMPLOYMENT: LABOUR FORCE NOT CONTRIBUTING TO SOCIAL SECURITY, 2000-07 (%)



*Notes: Average figures of 2000-07 pension schemes; IL – no data available.
Source: World Bank, 2011 (data processed from Loayza and Wada (2010))*

Across the region, the fragmentation of labour market and human resource information makes it difficult to establish a more demand-driven system. Although setting up a coherent and integrated labour market information system appears as an explicit priority in the strategies of many countries, and despite the fact that different projects and initiatives focus on this topic (for instance, observatories in Jordan and Egypt supported by donors like the World Bank and the ETF), the reality is that there is still much left to do to improve and develop existing information systems (in Lebanon for instance the absence of official, up-to-date data constitutes an obstacle for the development of effective policies). Furthermore, information systems need to be mainstreamed and linked to the skills to be delivered by the VET system (Palestine has set up a labour market information system in the employment offices of the different governorates but needs to establish links with the VET system); there is also a need to establish and develop alternative sources of information (such as tracer studies, company surveys and evaluation studies, for instance, as proposed in Tunisia).

Attention also needs to be paid to the institutions dealing with labour market information and employment. In February 2011, for instance, Algeria approved an employment promotion package that includes a number of intermediation institutions, whose coordination and permanent evaluation will be crucial for the package's success.

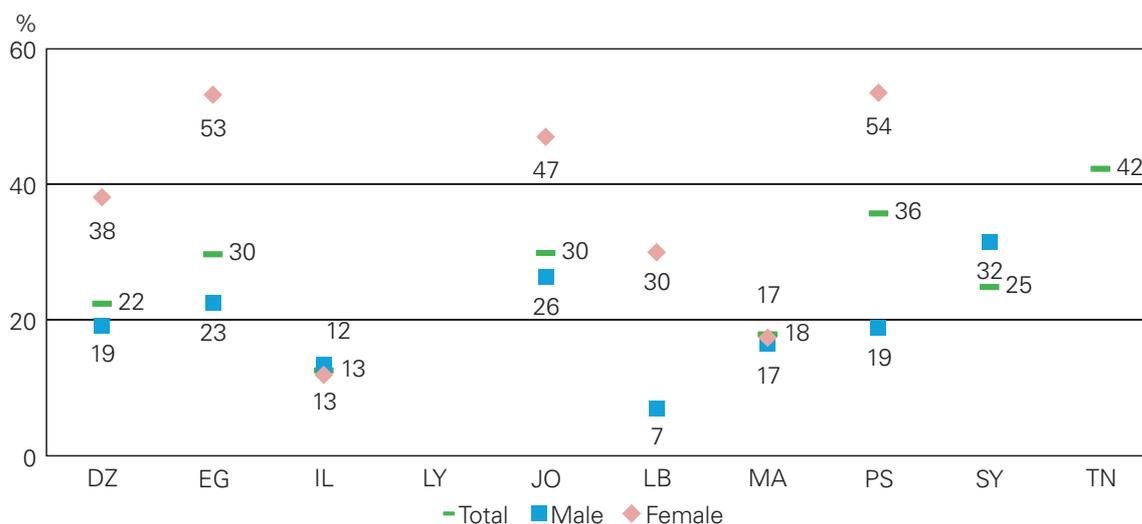
The issue of private-sector participation and initiatives to improve quality (analysed below) are closely linked to the question as to how to provide relevant skills to the labour market.

Regarding Israel, the Torino Process reflects concerns to better adapt the skills provided by the VET system to the needs of the economy. Different mechanisms for increasing interaction between public providers and the business community have been identified, with increased attention being paid to this topic within reforms to the system.

An urgent priority: youth and female employment

In 2010 only one in three young people in the region was in the labour market (either employed or unemployed) while the global average is 50% according to the International Labour Organisation (ILO). Another third are estimated to be in education, while the remainder are not in education, employment or training (the target group known as NEETs). The region has the highest average rate of youth unemployment in the world (25%), with Tunisia topping the list at 42% (2011). The rate is at least twice as high as the rate for adults and has not come down over the past 10 years (Figure 3.5).

FIGURE 3.5 YOUTH UNEMPLOYMENT RATES (15-24) BY GENDER, 2011



Notes: SY – 2010; TN – May 2011; LB – 2009, 15-19; DZ – 16-24; IL – 18-24.
Sources: National statistical offices; LY – ILO

It is important to note that the NEETs, about which very little is known (so far the Torino Process has not uncovered relevant data, analyses or evidence regarding NEETs in any country) are particularly vulnerable to social exclusion. Some surveys indicate that this category might account for more than 40% of the youth population. Large numbers of early school leavers, social norms that restrict mobility and access to work and the further education of young women partly explain this phenomenon. Being a NEET is therefore often beyond the control of young people.

Youth unemployment disproportionately affects young women, whose unemployment rates typically double the average in the region. Job opportunities may be rare for young men but they are almost non-existent for young women, as most employers openly give preference to male job seekers. Employers that prefer female workers offer low-skilled and low-paid jobs that are not attractive to the few educated women who seek employment.

The average female labour force participation rate in the AMCs is only 19.2% (ranging from 9.4% in Jordan to 25.8% in Morocco), compared to 50% in Sub-Saharan Africa, East Asia and the Pacific or Latin America and the Caribbean. Studies have shown that countries with smaller gender gaps tend to grow faster, to a large extent because they take more effective advantage of their human capital and do not forego the potential return of their investment in women's education. Female labour force participation in the AMCs is increasing by only 0.17% annually, which means that it would take 150 years for the region to catch up with the world's current average. While unemployment rates for women are higher than for men all around the world, the gap between men and women is particularly wide in the AMCs and has even doubled in the last 25 years.

According to research, factors common to most Middle East and North African countries (geography, culture and history) seem to explain low female labour force participation rates in the region. Women, for instance, continue to face significant mobility restrictions and, in addition to social norms and legal restrictions, the World Bank study argues for the influence of what it calls the ‘former social contract’, under which governments provided benefits and subsidies to citizens in exchange for tacit support. According to the World Bank report, this social contract would have affected women differently than men (in their education choices, in their pay gaps and in the lack of specific incentives).

By now, a series of factors (the Arab Spring, demographic trends and the lack of economic sustainability) renders the old social contract unsustainable and the model of the single breadwinner unaffordable. In a context where significant increases in public expenditure are not possible, future job creation must be led by the private sector. Such a push would also have an impact on women since these have traditionally opted for jobs in the public sector, currently shrinking in most countries. Reforms are needed to remove bureaucratic bottlenecks, and such reforms should be supplemented by targeted efforts to increase women’s participation: improving the image of women’s work, encouraging women’s entrepreneurship, encouraging companies to recruit more women by means of fiscal incentives, targeted career guidance and counselling, legal reforms and media campaigns to change traditional messages. This is particularly important for young women with tertiary education, who face some of the highest unemployment rates.

Very little evidence of specific programmes or policies tackling extremely low female labour participation rates has been found in the Torino Process country reports available to date. As a stimulation measure for female employment, Jordan has a new social security law foreseeing paid maternity leave (10 weeks maximum) and breastfeeding periods, financed through payroll contributions by men and women, as well as other measures, such as the expansion of kindergarten services, as foreseen in its national employment strategy. But in most countries, and even if many donors, non-governmental organisations (NGOs), councils and other organisations are active in this field, no specific policy measures seem to have been adopted to address this crucial challenge.

As for VET, there seems to be significant gender segregation in the AMCs. Young women are always in a minority in VET courses (general secondary or post-secondary education is perceived as more suitable for females) and women’s choices are limited to professions traditionally perceived as feminine or to courses providing training for homemaker tasks. In Jordan, for instance, young women may not attend VET courses at secondary level that prepare for jobs in tourism, a sector with high employment potential.

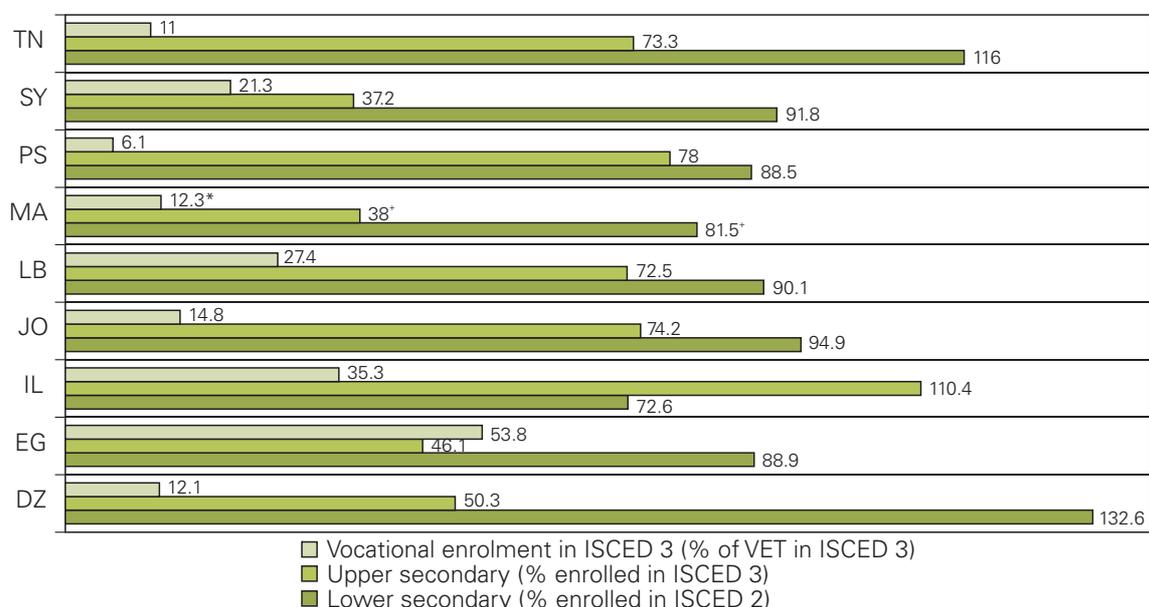
Poor returns on investment in education

Another striking feature of the Southern and Eastern Mediterranean is the inverse correlation between education and employment (with the exception of Israel). With some few exceptions, unemployment rates tend to increase with education level, especially for women. This phenomenon, referred to as ‘educated unemployment’, reveals the weak links between the education and training system and the labour market and the major difficulties encountered by young people making the transition from school to work. Obviously the solution is not resolved by providing less education but by increasing the quality and relevance of the skills as currently provided.

The 2012 Torino Process analysis indicates that countries understand the potential of upgrading and modernising VET to be able to offer it as a valid alternative to higher education, at least at the policy level. Most countries produce huge numbers of unemployed university graduates, while the private sector expresses the need for more middle-to-high technology specialised labour profiles. This imbalance is due to a strong preference for humanities, the low attractiveness of VET and strong gender segregation in VET occupations. Graduates lack generic and soft skills, including the information and communication technologies, foreign languages, communication and social skills and capacities for critical thinking and work discipline. This becomes even more critical in view of the fact that the region is characterised by a strong demand for education, with enrolment rates in higher education in many of the countries already at 40%. Demand for academic studies is strong, as such studies enable people to apply for civil service jobs, although the number of such jobs is decreasing steadily. Thousands of young people thus leave the education system each year with qualifications that are not required by the labour market (**Figure 3.6**).

This relatively well-documented situation (World Bank, 2008) represents a dual challenge: in the short term, the VET system will have to propose easy-to-implement solutions to improve the employability of job seekers; and in the medium-term, education and training systems will need to improve capacity to manage and direct student flows towards practical specialisms in demand in the labour market.

FIGURE 3.6 GROSS ENROLMENT RATES IN SECONDARY EDUCATION AND PERCENTAGE OF VET ENROLMENT, LATEST AVAILABLE YEAR (%)



Notes: MA – (*) 2011, (+) 2007; LB, PS and SY – 2010; DZ, EG, IL and TN – 2009; JO – 2008.
Source: UNESCO Institute for Statistics database

In this respect, higher education ‘vocationalisation’ – developing an operational labour force with high qualification levels – is the next key challenge for the AMCs, as confirmed by the Torino Process findings. Countries are experimenting with different models (for instance, Tunisia with specific tertiary specialisms, Egypt with setting up a technology pathway between technical secondary schools and post-secondary technology colleges that would eventually lead to a bachelor’s, master’s or even doctoral degree in technology). Some of these efforts are still in the early stages, so there is not yet enough evidence to properly evaluate the impact on labour markets. One potential danger in some countries is that employers may not be ready to pay the wage differentials for an employee with better qualifications, which could result in increased unemployment. The Tunisian draft Torino Report points to some statistics that indicate that the higher VET levels produce higher numbers of unemployed people (which could indicate different trends and needs in different countries), but concludes that more thorough evaluation tools (such as tracer studies and surveys) are necessary in order to be able to better assess the economic sectors that can absorb more employment. In any case, there is a need to drastically improve the quality of post-secondary VET in a way that marks a difference.

In the case of Israel, expenditure on education is relatively high (7.3% of GDP compared to 6.1% in other OECD countries), although expenditure per pupil is lower, in particular in post-primary and higher education. Government, local authorities, funds and donations funded 80% of the expenditure according to data from 2010, with households accounting for the remaining 20%.

The other side of the coin: making VET attractive

In general, the VET participation rate is low compared to other regions in the world. In the Maghreb countries, only 10% of students attend a vocational school while the figure for Palestine is 6%. The exception is Egypt, where 54% of students are enrolled in VET, although mostly as a second education choice after having been tracked out of general education. As mentioned, VET graduates find it difficult to find jobs in many countries due to a skills mismatch problem, making VET an unattractive career option. In addition, VET has a very poor social image, deeply rooted in the culture of the countries. The vicious circle of poor image, poor quality and few options can only be broken by very daunting reforms that place VET at the centre of the system and increase its relevance and quality.

The Torino Process shows how some countries are considering promoting the image of VET through specific social and media campaigns (Tunisia, Egypt, Jordan and Israel, amongst others). In other countries, like Morocco, recent constitutional reforms establish VET as a citizen's right, thereby clearly recognising the growing importance of VET as a tool for social inclusion in a country marked by strong social dichotomies. This key decision will place great quantitative pressure on the system, but will impact negatively on quality if not associated with adequate investments.

The Torino Process in Israel reveals a mismatch between employer needs and the public will. There is no proper response, for instance, to the needs of labour-intensive productive sectors (construction and agriculture) due to poor pay and a negative image, so the labour needs often have to be met by recruiting foreign unskilled workers.

Transition from education to work

From the Torino Process reports, it becomes clear that the transition from education to work is a key phase in which governments and other VET system stakeholders need to intervene. In most countries, the key problem is getting the first job, but there are very few measures in place in the AMC's to address this challenge. There is growing awareness of the need to set up career guidance and counselling systems (practically non-existent in the region). Some countries, like Jordan, have elaborated a specific strategy to address this important issue, while others, like Egypt, have worked on a policy vision for an integrated system at different levels. In countries with public employment services (or offices) there have been some attempts to create guidance services. Nonetheless, there is a fundamental need for political decision making, cooperation among stakeholders and greater investment in this area all across the region to ensure that a career guidance function is put in place in a modern education system. Particular attention needs to be paid to gender-specific problems so as to facilitate women's entry to the labour market. No specific evidence regarding this kind of more targeted measure has been encountered in the Torino Process reports for the region.

Another area where efforts are being made is in more targeted labour market information systems, available for instance, in Palestine, in the employment offices of the governorates. Such systems will obviously become increasingly important in a context of geographical decentralisation.

The other key stakeholders: the business sector

In recent years the conviction has deepened across the region (even in countries with large public providers of VET) regarding the importance of greater and more in-depth involvement of the private sector in the VET design and delivery. Leaving aside the countries where different forms of apprenticeship exist, the Torino Process showcases a multitude of projects and pilots (many of them best practice examples) to rehearse modalities for effectively including the private sector in VET. Examples include the sectoral and local enterprise and training partnerships of the EU-supported TVET reform programme for Egypt and the dual system developed for Lebanon with the support of GIZ (and now backed by the EU).

The Torino Process report for Israel mentions the very small number of companies involved in VET and the fact that several initiatives are under way aimed at including private firms in the provision of technological

and vocational education and training. However, the problem remains that many initiatives function at the level of pilots and projects and the difficulties for proper mainstreaming into the system are many. The fact remains that mechanisms for a systematic involvement of the private sector are not in place in most countries of the region, with few exceptions.

Important difficulties derive from the fact that many employers are SMEs (most especially in Lebanon). Despite the potential of SMEs for employment creation, most Southern and Eastern Mediterranean countries lack appropriate legal and policy frameworks for SME development and, even more, for their participation in VET. Difficulties are also reported, for certain economic sectors that are strongly dominated by micro or small enterprises, regarding finding the right mechanisms for involving SMEs in an appropriate manner in VET delivery. Another challenge is to raise the quality of services and products provided by SMEs.

In countries with very large contingents in the VET system scattered throughout the territory (for instance, Egypt, with almost 2 million students in technical secondary education), there are serious difficulties to organise the participation of the private sector in a manner that would be meaningful to the delivery of VET, particularly in isolated regions or in those which do not have enterprises or developed economic zones. Despite this, Egypt has adopted a dual system (following the Mubarak–Kohl Initiative supported by Germany) but the percentage of centres with this system is still very small compared to the total mass of students.

At another level, the Arab Spring has caused greater importance to be attached to the issue of participation, with new trade unions, employer organisations and NGOs representing civil society mushrooming in many countries (for instance, in Egypt, with the approval of the Declaration of Freedom of Association in 2011). Despite the greater sensitivity to issues of participation by social partners in decision-making processes, incorporated in most new strategies and programmes in the last two years (and leaving aside exceptions like Morocco or Tunisia, which have a longer tradition of social partnership in VET), there is still a lack of effective empowerment and concrete mechanisms aimed at making this involvement a reality in most of the countries in the region. This issue is analysed in more detail in Chapter 5, referring to governance.

The missing element: adult training and lifelong learning

The 2012 Torino Process shows that the adult training system, irrespective of whether training is offered through continuing training or active labour market policies, continues to be underdeveloped. A serious barrier to the development of continuing training policies arises from the demographics of the region, as training of young people (for whom initial training is the logical channel) is prioritised. However, adult training programmes are also a useful tool for dealing with the large numbers of dropouts who are not likely to go back to school, as they offer a kind of second-chance training that is particularly important for vulnerable groups.

The most important efforts across the region have been invested in literacy, where results have been very positive, although countries like Morocco and Egypt continue to have high percentages of functional illiteracy.

The business landscape is dichotomous, with large companies tending to provide for their own needs. SMEs are more difficult to reach, however: it is harder to identify their needs, training is something of a luxury, managers are less sensitive to the training issue, social networks are relied on for recruitment and there is little awareness of public training options. Moreover, the weak leverage of public employment services does not encourage SMEs to develop well-designed training for job seekers. Indeed, owing to the absence of unemployment insurance, only a small number of unemployed people enter active labour market programmes. In order to increase the efficiency of public employment services, some countries (especially Lebanon and the Maghreb countries) have developed active labour market programmes targeted at certain segments of the populations (higher education graduates, long-term unemployed and socially vulnerable groups).

Despite all these problems, continuing training is slowly developing in some countries, in particular in the Maghreb. Countries like Morocco have well-established systems (both in terms of institutions and financing)

for continuing training in companies, although the Torino Process report reveals that there is currently on-going a vibrant debate regarding governance and financing. Another unsolved problem (in Morocco, for instance, with many social dichotomies) is how to reach the more vulnerable groups with these kind of initiatives.

In Israel, great efforts are being invested in the selection of disciplines for specialisation in cooperation with industry (through individual companies or through the Manufacturers' Association of Israel). The small number of companies involved in this kind of initiatives continues to be a problem, however.

An underlying problem in most countries is the fact that the overall concept of lifelong learning is not properly embedded in the education and training systems.

KEY ISSUES

- Labour markets are characterised by segmentation and inequalities.
- The employability of young people and women is the most urgent challenge.
- Although many countries have recently approved emergency employment programmes, there is generally an absence of well-structured employment strategies (and an almost complete lack of attention to female employment) integrated with sectoral economic strategies and human capital development strategies. There is a strong focus on the highly skilled population, leaving more vulnerable groups untargeted.
- VET systems in the region have traditionally been strongly supply-led and although they are becoming more demand-driven, this complex change is still an unrealised objective in most of the Southern and Eastern Mediterranean countries. Many projects and initiatives to address this are in place but not yet streamlined.
- VET is not attractive and remains a second-choice or last-resort option reserved for poor-performing students or dropouts. However, in countries with high rates of educated unemployment, the labour market demands the kind of skills that could be delivered by a modern VET system, in particular, at the mid- and high-tech levels. Most AMCs are working to improve the image of VET (through public campaigns and the creation of pathways to higher education), while, in some countries, the role of VET in social inclusion is also being underlined.
- Given that the transition from education to work is a crucial phase, required is more emphasis on, and investment in, proper systems of career guidance and counselling across the region. In particular, there is a need for gender-sensitive guidance and counselling measures aimed at increasing female activity rates.
- Private-sector participation, despite many best practice examples, is still generally at the level of pilots and not mainstreamed in the system.
- Adult and continuing training are both still underdeveloped, with a general absence of information and data about outreach and impact.
- No specific second-chance training arrangements have been provided for the very large number of school dropouts.

4. INTERNAL QUALITY AND EFFICIENCY

The previous chapters have highlighted the urgent need to enhance VET quality. Poor quality, lack of relevance and insufficient internal effectiveness is at the root of many of the problems with VET in the AMCs, leaving it unable to respond to the challenges posed by both the economy and society. The need to convert VET into a viable option is nowadays more critical than in any other moments in recent history. During the September 2012 Amman conference, the issue of the low social image of VET was discussed at length. It was concluded, however, that in order to be able to make effective changes, there was a fundamental need to invest both in quality and in relevance (better links with the labour market). The difficulty therefore is twofold: quality enhancement processes are long term, so results cannot be measured immediately, and they are resource-intensive and so require sustained investment and continuity in the reform agenda.

In the case of Israel, the measures for improving the quality and efficiency of technological education are mostly guided by the education ministry in line with overall priorities but with a clear orientation towards the needs of industry, forecasted through committees, studies at the national and regional levels and a mapping of industrial sectors and professions, and expected to have an impact also on investment and on regular curriculum revision processes. The main problems reported by the Torino Process are associated with the poor public image of technological education and the education ministry has recently embarked on a comprehensive campaign to try to change the image of VET and highlight the opportunities offered by the economy.

The most problematic aspects of quality identified in the Torino Process are identified and clustered below. Work has been under way in most of the countries, in some cases for several years, in an attempt to provide some responses to these challenges. Most of the issues are long term, however, and final solutions have not yet been obtained. The effort thus needs to be a sustained one.

Lack of assessment mechanisms for overall quality assurance

This is a problem shared by all the countries of the region. However, systemic developments in some countries can help address this challenge. Tunisia, for example, is embarking on an overall evaluation of VET system performance (from the pedagogical point of view) and Morocco is planning to set up specific evaluation mechanisms. In most countries of the Mashrek, however, although the problem is widely recognised, there are no specific arrangements in place.

Links between lack of quality assessment and governance mechanisms

As will be analysed in Chapter 5, the often very fragmented institutional framework for VET in the region hinders integration of a quality assurance, monitoring and evaluation function within the system. In a country like Egypt, with more than 30 bodies and institutions involved in VET, it is difficult to ensure a holistic view and quality measurement. Jordan, which has recently created an Employment and Technical and Vocational Education and Training Council, is trying to integrate the quality assessment function within this body, which will consequently require strong coordination mechanisms. In Algeria, where there are up to four IVET and CVET subsystems, coordination mechanisms will need to be put in place before quality assurance for the system as a whole can be dealt with.

Specific agencies for quality assurance and accreditation

The establishment and functioning of such agencies is seen as a step forward in Egypt, Jordan, Lebanon and Israel. In Egypt, the establishment of the National Authority for Quality Assurance and Accreditation in

Education has represented a systemic attempt to respond to urgent quality problems faced by the education and training system. Criteria have been developed for accrediting all schools (including technical secondary schools) and universities in the country, through an accreditation process reflecting international best practices and channelled through requests by the education ministries. Progress is slow, due to the large number of schools and universities and the need for these to be upgraded first before submission for accreditation. Another issue pending solution in most countries (Egypt included) is quality assurance and accreditation for VET centres (both public and private). Most of the new agencies set up for this purpose are focusing mainly on educational centres, leaving pending the issue of quality assurance of training. Moreover, most agencies use input-based criteria for accreditation, such as teacher qualifications (percentage holding a PhD), square metres per trainee etc., completely ignoring criteria that would measure the relevance of the training provided to learners and the economy. In Israel, the National Authority for Measurement and Assessment in Education plays a quality assessment role in the system.

National qualifications frameworks

In almost all countries of the region, national qualifications frameworks are either being set up or are high on the policy agenda in countries like Tunisia, Morocco, Lebanon, Jordan, Egypt and Israel. Many of these countries have also shown their interest in working towards common regional sectoral qualifications in sectors like tourism or construction, in order to aid international mobility. This is perhaps the topic with most common points of interest among the Southern and Eastern Mediterranean countries in the issue of internal efficiency and quality. The topic is complex, however, as it is also closely linked to issues of governance and participation (for instance, how to define the national qualifications, how to guarantee effective participation of the private sector and the civil society etc.).

Poor cost efficiency

The low degree of cost efficiency in the VET systems of the region, linked to lack of linkage with labour market needs, is a source of preoccupation. Some countries, like Palestine, have undertaken studies and developed systems to address the issue of cost efficiency (and financing mechanisms). In general, however, there are few examples of this type of initiative in most countries of the region so this remains an area for further development.

VET curriculum reforms

Reforms to curricula, linked to pedagogical innovation, are badly needed in most countries of the region. VET curricula are often obsolete and irrelevant to the skills needs of the market. There is a general lack of tools to analyse labour market needs in terms of curricula and of regulations that impose regular qualification updates. In some countries, like Egypt, the process of revising VET curricula is not linked to the reforms going on in primary or secondary education. Some countries, like Lebanon, have put curricula at the centre of their most recent measures for reform, in a major undertaking to bring more flexibility to the system. In most countries, there is also the need for the creation of new specialisms (in sectors with new economic and employment potential, such as renewable energies) and for the rationalisation of existing specialisms. Many countries have projects underway (often financed by international donors) to tackle problems of curriculum innovation. However, these initiatives typically remain at the level of pilots, without mechanisms or resources for mainstreaming into the system. The problem of outdated or irrelevant curricula is, in some countries, aggravated by the lack of appropriate equipment and the absence of a holistic view on the interaction between both. Hence, in some countries, there is innovation in equipment, but this is not linked to the necessary changes in curricula. In other countries, curricula are in the process of being updated, but the analysis and specifications regarding new equipment are insufficient or are not in line with curriculum reform. In the case of Israel where a modular system is in place, regular curriculum updating processes take place at least once every 10 years and efforts are invested in ensuring deeper links with the needs of industry at a more systemic level.

Horizontal and vertical education pathways

The development of pathways (traditionally lacking in VET systems in the region) and the diversification of VET options are being analysed in many of the countries. Egypt is experimenting with setting up a vertical technology pathway that would allow continuity to tertiary VET (technical colleges under the ministry for higher education), and also the possibility of accessing higher education degrees, for students taking certain specialisms in technical secondary schools. In Israel, the Torino Process reports on several barriers that prevent vocational technological education graduates from continuing their studies at higher levels; however, there are indications, at the education ministry level, that a 'bachelor degree in engineering' will be created.

VET teachers and trainers

The situation of VET teachers and trainers, critical to the success of any reform, leaves much to be desired. In some of the countries, they are low-skilled and poorly paid and lack any real career development path. In Egypt, a Professional Teaching Academy has been created to systemically respond to this deficiency in the system (not exclusive to VET but shared with other education sectors). However, its impact is not yet evident in the system and a greater investment is needed, in particular for VET teachers. In Tunisia, the Torino Process reports on an increased focus on the training and retraining of teachers and trainers; similar efforts are reported for Palestine and Lebanon, including analyses of possible reforms to teacher contracts and conditions. Due to the dimensions of the problem, reforms need to be sustained and long term before they can have any real impact on the system. The Torino Process report for Israel provides information on current arrangements put in place by the ministries for education and for industry, trade and labour for teachers and trainers under their respective jurisdictions.

Rationalisation of resources

This is an area offering vast possibilities for improvement in the region. It is interesting to mention Tunisian experiments to restructure VET centres and create poles of excellence and to link these to local and regional development. Egypt, in selected geographical areas and sectors, is experimenting with bringing together technical secondary schools, technical colleges and vocational training centres in what are called cluster projects, with the aim of optimising resource use and creating integrated qualifications and a closer link with key local economic sectors.

The need for a holistic approach to quality

The Torino Process reports also underline how quality in VET cannot be seen in isolation from quality in the rest of the education system. Although this is recognised in most countries, none has, as yet, developed this kind of holistic approach.

KEY ISSUES

- A key condition for VET to meet the economic and social challenges it faces lies in the need to improve quality and escape the vicious cycle of poor quality, low attractiveness and unsatisfactory outcomes. Intensive work is still necessary in areas such as quality assurance and accreditation, the assessment of overall system quality, the creation of adequate qualification systems, improving the situation and capacities of teachers, trainers and school managers, curriculum and pedagogical innovation and holistic upgrading of VET centres.

5. GOVERNANCE AND FINANCING

5.1 CHALLENGES AND DEVELOPMENTS

The VET governance system in the AMCs has traditionally been strongly centralised, not only in terms of geographical power distribution (decision-making powers concentrated in the ministries, administrative roles only for the regions and vocational schools and centres totally dependent on the ministries) but also in terms of power concentration in the public sector (with no mechanisms for private sector and social partner participation, except in Morocco). A second traditional characteristic – in particular in the Mashrek countries – is the deep fragmentation of the institutional framework, with a multiplicity of actors involved in VET planning and delivery, no established coordination and communication mechanisms and, in the case of some countries, without proper leadership for the sector.

It was already evident in the last decade that this model of governance (and related financing mechanisms) are not very conducive to the development of VET systems that can respond flexibly to the needs of the labour market, in particular in countries running privatisation processes or trying to increase productivity and competitiveness levels. In order to create some links with the private sector, some changes were introduced. For instance, in Algeria a law for the inclusion of consultative bodies (among them, social partners and research institutions) in VET was adopted in 2008; in Egypt, the Supreme Council for Human Resource Development, in 2000, admitted representatives from all ministries and agencies involved in the VET sector (between 22 and 30 institutions) plus social partners; and similar councils exist in Palestine and in Jordan. However, these measures remain largely on paper and at a declaration stage. Private sector and social partners have been given consultative roles but no real share in decision-making powers has been granted to non-governmental stakeholders. Many of these councils, in fact, have not met for years and, in practice, they lack real executive powers.

The Arab Spring has once more brought the issue of governance and public management to the forefront of public debate and policy decision making. While many revolts were provoked by corruption and lack of accountability, other fundamental motivations were aspirations for the democratisation and participation of society in key decision-making processes. This is why the discussion on governance in the AMCs is now more relevant than ever.

Changes in governance systems are by nature slow and the 2012 Torino Process has not yet identified many examples of immediate and drastic changes in the aftermath of the Arab Spring. Countries like Tunisia, for instance, decided to make a move to empower the regions, in particular the poorer ones, as reflected in its Emergency Programme 2012-13. However, the Torino Process perfectly illustrates the way in which certain processes that had started before the revolution have continued to advance despite the political instability; this is because the objectives coincide with those of the revolution (increased participation, power sharing and accountability). One such example is the decentralisation process in Egypt, aiming at devolving competences to the governorates and to the local (district) level. This process was launched way ahead of the revolution, with Education as one of the pilot sectors. However, since its objectives of enhanced participation, accountability and empowerment at the regional and local levels coincided with the principles inspiring the revolution, the process has not been affected despite the political turmoil surrounding the transition process in Egypt.

The Torino Process report for Israel reveals a certain degree of fragmentation among the different institutions in charge of subsectors within VET, in particular the education ministry and the industry and trade ministry. The technological-vocational technological system is centralised, although with some freedom of action and choices at the regional level. The active involvement of social partners in strategic planning for the system and its implementation remains an issue requiring further development. Increased investment in technological education for 2012-13 indicates a change in the agenda regarding the allocation of more resources to this subsector within the broader agenda of education expenditure.

5.2 MAIN GOVERNANCE TRENDS (2012 TORINO PROCESS)

Decentralisation

Decentralisation is understood in both geographical terms (in countries like Tunisia or Egypt, with ongoing processes) and in terms of greater autonomy for vocational schools. The latter is a need that is felt in most of the Southern and Eastern Mediterranean countries, with pilot projects mushrooming but without a proper legislative framework to encourage autonomy, in particular, the very delicate topic of financial autonomy; this is the case in countries like Lebanon and Palestine, for instance. Greater autonomy has to be closely linked with suitable accountability mechanisms, to guarantee transparency and resource allocation according to performance.

Participation

Participation of the private sector and social partners is particularly needed and, indeed, called for in the majority of the countries, fuelled as well by rise of new social partners in countries that did not have such a tradition (for instance, new trade unions in Egypt after the Declaration of Freedom of Association in 2011). Despite this, countries still lack legal mechanisms for social dialogue and, in particular, for the active and permanent involvement of social partners in the VET system. Morocco remains the exception to this rule and is also a best practice example, with social partners represented in the VET system on a permanent basis (although mostly private sector representatives).

Discussion and stronger coordination solutions

These are required in the Mashrek countries in particular, where institutional fragmentation is a real obstacle to the implementation of reforms. In Egypt, for instance, the new government has launched a national debate on the possibility of setting up a national TVET agency in order to establish some kind of coordination and leadership for between 20 and 30 stakeholders involved in VET; in Palestine there are many concerns regarding the growing fragmentation of the sector among ministries; in Lebanon the governance model is very much linked to the specific political and social context of the country but is, at the same time, extremely complex; and Jordan, where progress has led (even though problems persist) to the creation of an Employment and Technical and Vocational Education and Training Council dependent on the labour ministry.

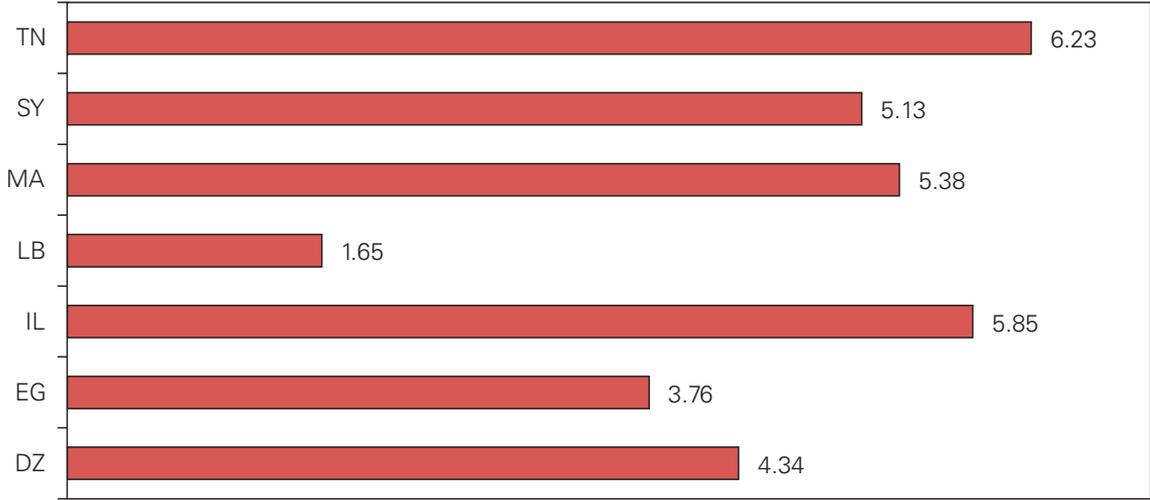
More transparency, efficiency and accountability in mechanisms and institutions are required. Other messages, like the need for capacity building and adequate investment in the institutions responsible for VET governance, come across strongly in countries like Jordan and Palestine. The debate is further divided between governance and funding for IVET and CVET, with particular emphasis on the latter; Morocco, in fact, is one of the few countries in the region with an established CVET system.

Another promising step is a sector-based one. Sector councils (Syria), national sector teams (Jordan), sectoral training councils (Egypt, in industry, building, construction and tourism) and sectoral public-private partnerships (Tunisia, training units created by employer federations and supported by donors) are entrusted with tasks ranging from skills needs assessment to provision, thereby ensuring a concrete and promising education/training-labour/employment continuum. It will eventually become necessary to evaluate the sustainability of these councils (strongly dependent on state budgets in most countries) and the contribution they make to the institutional frameworks. In other words, the concern is not to add yet another stakeholder to the already very crowded environment, but that the councils develop certain functions in close collaboration with the private sector that were not previously part of the VET systems of the region.

Regarding funding, public expenditure on education varies among the countries (**Figure 5.1**). Some innovative measures are being implemented in the AMCs, especially for continuing training and VET, although full diversification remains pending. The Maghreb countries have started collecting a vocational training tax from companies for reinvestment in training, and Egypt has set up a special training fund. In IVET, the segmentation of funding between public and private provision translates into the public sector benefiting from direct budget allocations and the private sector being funded essentially through tuition fees

paid by individuals. Some countries have started to explore new funding mechanisms (for instance, Tunisia’s ‘chèque de formation’) to encourage the private sector to invest more in VET. Continuing training provided by companies is eligible for subsidies in some countries, via a vocational training tax refund. Such funding mechanisms are more developed in the Maghreb than in the Mashrek. Tunisia and Morocco are probably the most advanced in this area, having recently created a new set of instruments to develop continuing training and to promote the participation of private VET providers in the delivery of recognised training. Nevertheless, target groups complain that administrative procedures often act as a bottleneck to the full use of these tools.

FIGURE 5.1 PUBLIC EXPENDITURE ON EDUCATION AS A SHARE OF GDP, LAST AVAILABLE YEAR (%)



Source: UNESCO Institute for Statistics database; PS, LY and JO – no available data.

The Torino Process also underlines that changes to VET governance is deeply interrelated with the vision of VET in the region. Changes in governance mechanisms should be envisaged in the strategy (vision), but participation in design and implementation of the vision is of crucial importance. This change has to be linked to a shift from the old paradigm of strongly centralised public governance into one of participation, communication, coordination, transparency and accountability. The issue of trust among the parties is key to achieving more profound change.

Finally, the accountability of public provision of technical VET is not based on performance or outcomes. Institutions continue to operate year after year with quantitative expansion the main strategic objective and without results being monitored. With public subsidies guaranteed, the incentive to change and improve relevance is weak. No relevant changes in this situation have been underlined in the 2012 Torino Process.

KEY ISSUES

- The traditional governance culture is a strongly centralised one, with decisions mostly made by central governments without much room for participation by other stakeholders.
- Economic needs, the logical evolution of VET and the push from the Arab Spring have started to transform governance into a more participatory concept.
- There is a trend toward geographical decentralisation in some of the countries, leading to devolution of power to the regional and local levels, and also towards the reshaping of the concept of power and decision making and towards increased autonomy in vocational schools. However, proper mechanisms are not yet in place in the majority of the countries. This increased autonomy has to be accompanied by increased and enhanced accountability mechanisms.
- There is a trend towards greater participation by social partners, NGOs and representatives from other sectors of society, even if most countries do not yet have mechanisms for channelling this participation in an effective manner.
- A trend towards rationalisation and coordination is evident, in particular in countries where the extremely fragmented institutional framework hampers the implementation of reforms.
- There is also a trend towards establishing sectoral bodies that are connected to both the demand and supply sides of VET, at least in the main economic sectors of each country.
- Important at the regional level is the need for capacity building within the institutions that have to implement these processes and the need for adequate financial investments in these bodies or institutions.
- VET funding, closely linked to governance, remains an area where further work is necessary. Although innovative mechanisms are being introduced in some countries, deeper reflection on the funding tools available and adaptation to the current needs of the VET sector is still necessary in most of the countries of the region.

6. CONCLUSIONS

The vocational education and training context

- The Arab Spring has placed new demands on governments and has inspired greater expectations in people in the countries in the region. Political turbulence has, in some cases, affected the implementation of reforms.
- The economies of the region, with some exceptions, are experiencing deteriorating conditions. But, even in times of economic growth, the basic problem remains that AMC economies are not able to create sufficient jobs for their growing populations.
- The region is marked by acute problems of poverty and inequality between genders and regions and has no social policies suitable for dealing with these inequalities.
- The huge demographic pressures on the education systems and labour markets are a threat to stability and have consequences, not only for the AMCs but for their neighbours (including EU countries), in particular in terms of migration.

Policy vision in vocational education and training

- The Arab Spring has prioritised VET, adding a social dimension and youth employability to other more traditional economic considerations.
- In many Southern and Eastern Mediterranean countries in the last two years, VET strategies and action plans for their implementation have been developed and approved. Most of these strategies are based on analyses conducted before the Arab Spring and have undergone some adaptations.
- There is a new, stronger need to guarantee participation in the design and implementation of VET, yet there are not enough mechanisms in place in most countries to guarantee this. There is a close link with governance issues in this respect.
- Strong synergy and coordination with other reforms is indispensable in times of economic difficulties. Greater investment in VET is needed but priorities need to be set in view of the critical national budget situation in many countries. Synergy with education, employment and even economic reforms is crucial for VET to fully play its role.
- The influential international donor community in the region has given (and intends to continue giving) strong input and support to the process. However, mechanisms for coordination and for prioritising ownership are now more necessary than ever before.
- The slow implementation of reforms is still a reality. To overcome this, a combination of top-down and bottom-up actions that involve practitioners will be necessary.
- In Israel, the specific visions of the different ministries and private sector representatives have the common aims of ensuring that technological-vocational education better reflects the needs of the economy and acts as a tool to support disadvantaged populations.

Note that the September 2012 Amman conference stressed, in particular, the imperative of establishing coordination mechanisms and ensuring the active participation of stakeholders in working towards a common vision and a common understanding of roles, benefits and obligations. The discussion on vision also stressed the importance of linking this up with implementation and allowing space for bottom-up initiatives in strategic thinking.

Socio-economic challenges

- Labour markets are characterised by segmentation and inequalities.
- The employability of young people and women is the most urgent challenge.
- Although many countries have recently approved emergency employment programmes, there is generally an absence of well-structured employment strategies (and an almost complete lack of attention to female employment) integrated with sectoral economic strategies and human capital development strategies. There is a strong focus on the highly skilled population, leaving more vulnerable groups untargeted.

- VET systems have traditionally been strongly supply-led and although they are becoming more demand-driven, this complex change is still an unrealised objective in most of the Southern and Eastern Mediterranean countries. Many projects and initiatives to address this are in place but not yet streamlined.
- VET is not attractive and remains a second-choice or last-resort option reserved for poor-performing students or dropouts. However, in countries with high rates of educated unemployment, the labour market demands the kind of skills that could be delivered by a modern VET system, in particular, at the mid- and high-tech levels. Most AMCs are working to improve the image of VET (through public campaigns and the creation of pathways to higher education), while, in some countries, the role of VET in social inclusion is also being underlined.
- Given that the transition from education to work is a crucial phase, required is more emphasis on, and investment in, proper systems of career guidance and counselling across the region. In particular, there is a need for gender-sensitive guidance and counselling measures aimed at increasing female activity rates.
- Private sector participation, despite many best practice examples, is still generally at the level of pilots and not mainstreamed in the system.
- Adult and continuing training are both still underdeveloped, with a general absence of information and data about outreach and impact.
- No specific second-chance training arrangements have been provided for the very large number of school dropouts.

In regard to youth employability, the September 2012 Amman conference confirmed the need to make VET more attractive to young people and, in particular, to improve from education the transition to work (especially for young women) and enhance links with further education. Also underlined was the importance of integrating skills development with job creation initiatives, including entrepreneurship learning.

Internal quality challenges

- A key condition for VET to meet the economic and social challenges it faces lies in the need to improve quality and escape the vicious cycle of poor quality, low attractiveness and unsatisfactory outcomes. Intensive work is still necessary in areas such as quality assurance and accreditation, the assessment of overall system quality, the creation of adequate qualification systems, improving the situation and capacities of teachers, trainers and school managers, curriculum and pedagogical innovation and holistic upgrading of VET centres.

Governance and funding

- The traditional governance culture is a strongly centralised one, with decisions mostly made by central governments without much room for participation by other stakeholders.
- Economic needs, the logical evolution of VET and the push from the Arab Spring have started to transform governance into a more participatory concept.
- There is a trend toward geographical decentralisation in some of the countries, leading to devolution of power to the regional and local levels, and also towards the reshaping of the concept of power and decision making and towards increased autonomy in vocational schools. However, proper mechanisms are not yet in place in the majority of the countries. This increased autonomy has to be accompanied by increased and enhanced accountability mechanisms.
- There is a trend towards greater participation by social partners, NGOs and representatives from other sectors of society, even if most countries do not yet have mechanisms for channelling this participation in an effective manner.
- A trend towards rationalisation and coordination is evident, in particular in countries where the extremely fragmented institutional framework hampers the implementation of reforms.
- There is also a trend towards establishing sectoral bodies that are connected to both the demand and supply sides of VET, at least in the main economic sectors of each country.
- Important at the regional level is the need for capacity building within the institutions that have to implement these processes and the need for adequate financial investments in these bodies or institutions.

- VET funding, closely linked to governance, remains an area where further work is necessary. Although innovative mechanisms are being introduced in some countries, deeper reflection on the funding tools available and adaptation to the current needs of the VET sector is still necessary in most of the countries of the region.

The September 2012 Dead Sea conference discussion on public policies stressed the importance of results orientation, legitimacy and democracy as principles for institutions and public policy making. These factors are critical to involving civil society and young people in particular. Institutions and actors need to build the capacity and acquire the tools to support implementation and to be able to provide feedback through monitoring and evaluation processes.



ABBREVIATIONS AND ACRONYMS

AMCs	Arab Mediterranean countries
CVET	Continuing vocational education and training
ETF	European Training Foundation
EU	European Union
GDP	Gross domestic product
GNI	Gross national income
HDI	Human Development Index
IVET	Initial vocational education and training
Maghreb	Algeria, Morocco and Tunisia
Mashrek	Egypt, Jordan, Lebanon, Palestine and Syria
NEET	(Young person) not in education, employment or training
NGO	Non-governmental organisation
OECD	Organisation for Economic Cooperation and Development
SME	Small and medium-sized enterprise
TVET	Technical and vocational education and training
UNESCO	United Nations Educational, Scientific and Cultural Organisation
USD	US dollar (currency)
VET	Vocational education and training
WEF	World Economic Forum

COUNTRY CODES

DZ	Algeria
EG	Egypt
IL	Israel
JO	Jordan
LB	Lebanon
LY	Libya

MA	Morocco
PS	Palestine
SY	Syria
TN	Tunisia

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