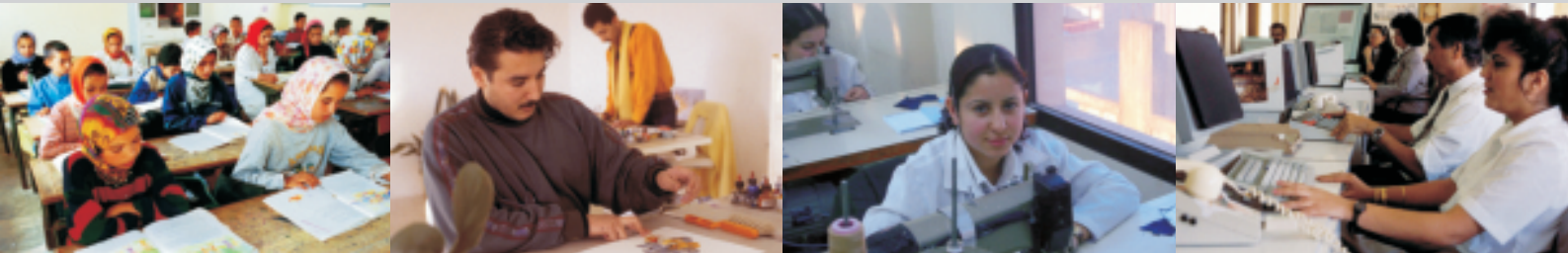# MEDA-ETE
regional project

Methodological Notes

Euromed Observatory Function Indicators for the governance of vocational training systems

EDUCATION AND TRAINING FOR EMPLOYMENT (ETE) IS AN EU FUNDED INITIATIVE IMPLEMENTED BY THE EUROPEAN TRAINING FOUNDATION (ETF). ITS OBJECTIVE IS TO SUPPORT THE MEDA PARTNERS IN THE DESIGN AND IMPLEMENTATION OF RELEVANT TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET) POLICIES THAT CAN CONTRIBUTE TO THE PROMOTION OF EMPLOYMENT THROUGH A REGIONAL APPROACH.

Methodological Notes
Euromed Observatory Function Indicators for the governance of vocational training systems

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PURPOSE OF
THE METHODOLOGICAL NOTE

This note is the second of two documents aimed at promoting the development of indicators for vocational training systems in the Mediterranean region.

The methodological note *Euromed Observatory Function: guidelines for developing indicators on technical and vocational education and training* addresses the conceptual and methodological aspects of defining and constructing indicators. This methodological note focuses particularly on the governance of vocational training systems, and proposes a set of criteria to measure their development on the basis of indicators.

Thus in this document we concentrate initially on the benefits of introducing governance criteria to improve the results and the effectiveness of vocational training systems. We then cover ways of structuring indicators to measure the development and progress of governance in vocational training. A series of examples are then given of possible indicators suited to the situation in the Mediterranean countries.

1. GOVERNANCE AND ITS APPLICATION TO TRAINING SYSTEMS

The application of governance criteria to vocational training systems is the result of a dual process: the development of the principle of governance for improving public administration systems on the one hand; and the growing complexity of training systems on the other.

1.1 Governance of public administration

The term 'governance' has become more widely used over the last few decades to cover the criteria and other aspects of management of the common good. Initially used to describe the most political aspects of systems, bearing on democratisation and human rights, governance has now taken on a much broader sense, encompassing all aspects of exercising authority and of the relations between civil society and public administration, including economic and social, as well as political, dimensions.

Although the concept is vast and international organisations, development offices and academic experts define it differently, there is nevertheless a certain consensus on its main dimensions (Demer, 1999).

United Nations Development Programme

Governance is the system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. It is the way a society organizes itself to make and implement decisions – achieving mutual understanding, agreement and action. It comprises the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences and exercise their legal rights and obligations. It is the rules, institutions and practices that set limits and provide incentives for individuals, organizations and firms. Governance, including its social, political and economic dimensions, operates at every level of human enterprise, be it the household, village, municipality, nation, region or globe.

Source: UNDP (2004b).

European Commission

Governance concerns the state's ability to serve the citizens. It refers to the rules, processes, and behaviours by which interests are articulated, resources are managed, and power is exercised in society. The way public functions are carried out, public resources are managed and public regulatory powers are exercised is the major issue to be addressed in this context.

In spite of its open and broad character, governance is a meaningful and practical concept relating to the very basic aspects of the functioning of any society and political and social systems. It can be described as a basic measure of stability and performance of a society.

As the concepts of human rights, democratisation and democracy, the rule of law, civil society, decentralised power-sharing, and sound public administration, gain importance and relevance as a society develops into a more sophisticated political system, governance evolves into good governance.

Source: European Commission (2003).

World Bank

We define governance as the traditions and institutions by which authority in a country is exercised for the common good. This includes (i) the process by which those in authority are selected, monitored and replaced, (ii) the capacity of the government to effectively manage its resources and implement sound policies, and (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them.

Source: World Bank Institute (2004).

If we compare the themes making up the UNDP and EU definitions, we find that, notwithstanding different nuances in the initial definitions, the area that they cover is similar.

Governance principles	
UNDP	*EU*
Participation. All men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their intention. Such broad participation is built on freedom of association and speech, as well as capacity to participate constructively. *Consensus orientation.* Good governance mediates differing interests to reach a broad consensus on what is in the best interest of the group and, where possible, on policies and procedures.	*Participation.* The quality, relevance and effectiveness of EU policies depend on ensuring wide participation throughout the policy chain – from conception to implementation. Improved participation will probably create more confidence in the end result and in the institutions that deliver policies. Participation crucially depends on central government following an inclusive approach when developing and implementing EU policies.
Strategic vision. Leaders and the public have a broad and long-term perspective on good governance and human development along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.	
Responsiveness. Institutions and processes try to serve all stakeholders. *Effectiveness and efficiency.* Processes and institutions produce results that meet needs while making the best use of resources.	*Effectiveness.* Policies must be effective and timely, delivering what is needed on the basis of clear objectives, an evaluation of future impact and, where available, of past experience. Effectiveness also depends on implementation of EU policies in a proportionate manner and on taking decisions at the most appropriate level.
Accountability. Decision-makers in government, the private sector and civil society organisations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organisations and whether the decision is internal or external.	*Accountability.* Roles in the legislative and executive processes need to be clearer. Each of the EU institutions must explain and take responsibility for what it does in Europe. But there is also a need for greater clarity and responsibility for Member States and all those involved in developing and implementing EU policy at whatever level.

Governance principles	
UNDP	*EU*
Transparency. Transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them.	*Openness.* The institutions should work in a more open manner. Together with the Member States, they should actively communicate about what the EU does and the decisions it makes. They should use a language that is accessible and understandable to the general public. This is of particular importance in order to improve confidence in complex institutions.
Equity. All men and women have opportunities to improve or maintain their well-being. *Rule of law.* Legal frameworks should be fair and enforced impartially, particularly laws on human rights.	
	Coherence. Policies and action must be coherent and easily understood. The need for coherence in the Union is increasing: the range of tasks has grown; enlargement will increase diversity; challenges such as climate and demographic change cross the boundaries of the sectoral policies on which the Union has been built; regional and local authorities are increasingly involved in EU policies. Coherence requires political leadership and a strong responsibility on the part of the institutions to ensure a consistent approach within a complex system.

In both cases, the topics addressed constitute a set of values not limited to describing governance but also aiming to define what might be meant by good governance, that is:

- the existence of systems based on or encouraging public participation;
- the search for a consensus between the different interests at stake;
- the sense of responsibility and participation between all the parties;
- effectiveness and efficiency in the use of resources;
- accountability and transparency of the decisions taken;
- fairness and equality of opportunity between all citizens;
- the obligation to subject decisions to impartial laws.

This view of good governance is encouraged by the international organisations and other specialised institutions based on the general principles mentioned above, although its application and extent are far from achieving the same level of agreement as the basic principles.

In order to measure the development and evolution of governance in different countries, some institutions have created systems of indicators enjoying varying degrees of acceptance. The World Bank (Kaufmann et al., 2005), the United Nations Development Programme and the European Commission (UNDP, 2004a; UNDP/European Commission, 2004) have established different sets of indicators of governance. Despite the methodological difficulty of finding reliable sources of information and the problem of making international comparisons, it has been possible to obtain useful tools to track progress in governance at global level.

The usefulness of this type of instrument has led to the concept of governance being applied not only to political systems in general but also to partial or specialised areas of public administration. Hence, there is talk of governance of health or education systems, which also aim to provide criteria for describing institutions, mechanisms and values behind decision-making in these subsystems, and which will contribute towards greater effectiveness and more efficient use of public funds.

The contribution made by these approaches depends on their ability to describe in detail the decision-making process, the distribution of resources, and the degree of consensus and acceptance of the criteria established.

The same reasoning applies to training systems. The governance of training systems may be seen as an analytical instrument providing better knowledge of the way these systems work, and helping to generate a consensus on the most appropriate criteria to obtain the best results from existing resources.

1.2 Complexity of training systems

The other trend that justifies applying the concept of governance to training systems is the growing complexity that accompanies their development, together with their contribution to economic development and the creation of decent jobs.

The development of education systems over the past few decades has contributed to the fact that, in most countries, education has become one of the largest organisations, not just in terms of the volume of resources and people involved, but also in its importance for the welfare of the population and for the economic, social and cultural development of these countries, the latter adding further to the complexity of managing it. This complexity is all the greater in training systems, not so much because of their scale but rather because training systems have come to terms with the high stakes associated with the principle of qualification within the labour market and of lifelong training for the population.

The pace of change in the labour markets due to the accelerating rate of technological innovation and the global opening up of national economies demands a certain adaptability and flexibility from training systems. This is especially true in a climate of great uncertainty to which they were not previously accustomed, given their traditional

orientation towards social rather than economic objectives. The great successes achieved, more in the education field than in economic development, put pressure on training systems to redirect people who have invested in education to find them an adequate position in production systems or to help them become entrepreneurs and create new jobs. The difficulty of aligning training with production systems at territorial, sector and company levels add a little more complexity to already complex training systems.

If we also take account of the recent emphasis on lifelong training as a key element in providing people with tools to understand and adapt to the rapid processes of technological, organisational and social change as they broaden interests, groupings and needs, it is easy to see that training systems in all countries, developed as well as developing, are confronted by increasing complexity.

Over the next few years, this complexity in training systems will tend to increase rather than diminish, given that, despite the progress achieved, we are still a long way from attaining the ambitious millennium development targets set by the United Nations. We can also expect greater development of training systems driven by the needs arising from increased interdependence between the world's economies.

This growing complexity therefore demands more systematic and sophisticated instruments to manage training systems. The more the resources used for training increase and the complexity of the systems grows, the greater the fundamental importance attached to direct or indirect aspects of their management. The issue of improving the results and the quality of training for the population is not just a problem of obtaining more resources or of applying good strategies; it is also a matter of taking opportune decisions to achieve these results. It is in this context that the application of the governance perspective takes on the greatest importance in helping to throw light on the decision-making process and the relationships between the different elements that make up the management of the system, and to generate a set of reference criteria to support good governance of the system.

The application of governance to training systems thus depends on the development of other instruments associated with decision-making, such as observation or evaluation functions.

2. GOVERNANCE OF TRAINING SYSTEMS

The previous section describes the importance and benefits of invoking the principle of governance in training systems, and emphasises ways of applying the concept. We now present a synthesis of the main criteria highlighted by the development of training systems over the last few decades, compared with the aspects of governance used in other sectors with a longer tradition. In each case, we indicate where there is a large degree of consensus on its usefulness, and where there are divergent positions.

2.1 The concept of governance in vocational training

Based on the main definitions of governance set out in the previous section, we consider governance in training systems as 'the processes whereby organisations make important decisions, exercise power and determine who they involve and how they render account'. There are four key aspects to this definition:

- how important decisions are made;
- how these decisions are applied;
- how those involved in the system are defined;
- information flows and the relationships between them.

These four aspects are in line with the fundamental principles that define the dimensions or criteria behind the concept of governance in its most widely accepted sense.

Types of decision to be made

- *Who to train?* What are the priority groups to be trained? There is a consensus as to the priority to be given to training young people, women, workers in small companies, disabled people and adults with a low level of basic training. We could add to this people needing to train to adapt to technological and economic change.
- *Where to train?* How should we distribute resources across the priority areas for training? What are the training needs of these areas? What degree of decentralised decision-making is in place?
- *How to train?* What are the most appropriate and effective approaches to encourage people to train and to facilitate access for priority groups?
- *What training?* What should be the content of programmes to meet the training needs of the production sector and to improve the qualifications of the working population?
- *Who with?* What should be the roles and responsibilities of social partners, companies and individuals in decision-making within the system? What should be the relationship between the public and private sectors? How should the public sector be organised?
- *Who for?* What are the communication and evaluation mechanisms to bring transparency to the decisions and the working of the system?
- *Who pays?* Who should fund what? How should the available budgets be distributed?
- *Effectiveness?* What strategies and programmes should we follow to achieve the best results?
- *Efficiency?* How can we obtain the maximum returns from existing resources?

The decision-making process would then be concerned with the people involved, the degree of consensus, the strategic vision, coherence and responsibility. The application of these decisions can be linked to effectiveness and efficiency, to fairness and impartiality in the application of the law. The definition of the participants might be associated with participation, responsibility, accountability, transparency and fairness. And, finally, relations with the participants can also be tied to consensus, transparency, accountability and fairness.

All these principles can be summarised under four essential axes, which we can use to describe the contents of governance in training systems:

- participation and consensus;
- accountability and transparency;
- decentralisation and responsibility;
- effectiveness and efficiency.

These four axes are combined in a basic principle that encompasses them all and around which there is now a broad international consensus: the focus of training systems on covering the need for skills demanded by the labour market.

For example, countries faced with long-term and deep-seated employment crises, in the course of which the labour markets lose their momentum, reduce their training

demands to a limited number of individuals and develop informal subsistence mechanisms for the bulk of the population: the focus of training systems on the labour market then becomes problematical in the absence of any concrete demand within the economic system. There is great pressure on these training systems to provide outlets for young people turning their backs on the education system rather than leave them outside the labour market. In this situation, there is a strong probability that training will become decoupled from the demands of the labour market; a negative spiral will then set in of dissatisfaction with the training given, reduced quality of training and loss of motivation in users, which can only aggravate the distance between training and the labour market. In countries experiencing such a crisis, this spiral affects the whole area of governance, which is why the need to restore the strategic balance of the training system towards the labour market must be addressed prior to any attempt to develop measures aimed at improving the governance of the system.

This does not mean that training systems should not base themselves on the social demands of young people completing their formal education, and take account of these. In any event, these demands should focus on the needs of the labour market if there is to be any improvement in the results and functioning of training systems.

Most of the countries in the MEDA region have embarked on the process of reforming their training systems and have supplemented the strategic vision behind these reforms with a focus on the system of production, in order to find a balance that will let them align both with social demands. Where there is a real will to move towards greater alignment with the labour market, the viewpoint of governance introduces the necessary elements to ensure that the resources and the new strategies achieve the expected results. Improving the governance of training systems then becomes one of the essential conditions for assuring the success of ongoing reforms.

2.2 Promoting participation of main players

A training system is increasingly understood as the collective and coordinated action of a wide range of players. The focus on the labour market demands the participation of the main partners in this market: management representatives and trade unions. But there are other players actively involved in the training process: families who guide their young people in their decisions, adult users or recipients of further training who want to learn, the various levels of public administration involved in organising the training activities, and the training centres that make it possible.

The degree of participation of all these players in the decisions that concern them is one of the necessary conditions for the proper functioning of the system. Training can never be a coercive matter, imposed on individuals or institutions, which is why the only possible way forward is to involve, motivate and stimulate the commitment of the different players. To do this, we need to create spaces for the various players to take part at each stage in the decision-making process, which should become real spaces for dialogue, initiative and consensus. The higher the level of consensus, the greater the participation of each of the players.

In the countries of the MEDA region collective bodies are normally in place, mainly due to the presence of social partners; but these bodies are often almost completely ineffective, either because of their limited role in decision-making, or because of the

restricted scope for initiative by those they represent. There is an obvious correlation between a strong civil society in any given country and the effectiveness of its participatory bodies. It is therefore necessary to move beyond the formal phase of the existence of participatory bodies, to give them a greater role in decision-making, to make them more dynamic by virtue of greater activity and initiative, and to back them up in order to guarantee employment.

We have moved on from a concept based on governance of training systems, an area reserved to the state, to an evolution towards shared systems of governance involving the main players, particularly social partners. This new concept demands cultural, organisational and institutional changes to assure effective coordination between the strategies and the decisions taken by the various decision-makers.

In many countries, even those in the course of development, private initiatives and companies have put in place substantial resources to define strategies and to provide training services. Integrating them into the system, according to the institutional structures in each country, will help to take advantage of their adaptability and flexibility and to increase the resources and the capacity for action of the training system.

2.3 Improving transparency and accountability

A more participatory conception of training systems also implies an attitude of service directed at the 'partners' and the recipients of the training. This in turn involves focusing on the results of the whole system. This is one of the major deficiencies undermining the effectiveness of training systems in the MEDA countries. Traditionally centred on activities, they have not generally developed the incentives, organisation or controls needed to guarantee the expected results.

The absence of resources, the lack of transparency in decision-making, the limited involvement of the players, and an excessively bureaucratic organisation are all factors inhibiting the effectiveness of ongoing processes of reform.

Improving accountability and transparency at all levels of training systems demands a drastic change of mentality in the culture. Introducing customer-supplier concepts into the various phases in the organisation of training activities; stimulating the attainment of results; installing quality control mechanisms; implementing regular evaluation procedures; opening the organisation up to greater participation by the players; fostering the habit of rendering account: all these measures promote accountability and should have a significant impact on improving the results and effectiveness of training systems.

The absence of accountability contributes to generate vicious circles of bureaucratisation in systems that, closed in on themselves, lose any ability to satisfy the external demands of the recipients of training, so reducing their prestige and their reputation, which can only increase their inward-looking stance and their 'decadence'. To overcome these tendencies, we need to initiate specific plans and a major management effort to implant a new organisational culture that should help to open up the organisation and introduce a spirit of service and compromise, together with involvement in the quality of service provided.

2.4 Bringing decisions and users together

The decentralisation of decision-making is present in all approaches to governance, and may be seen as a devolution or delegation of decisions to the levels closest to the users of the services. In some cases, these processes of delegation also include geographical decentralisation, but this is not essential, and will depend on the political structure of the country and the role taken by the regions or territories in organising the services; it may even depend on the size of the country. However, it is advisable in all cases to avoid any excessive concentration of decision-making within bodies remote from the place where a service is provided.

This principle also applies to training systems. The necessary flexibility and adaptability to the needs of individuals and of the labour market require quick decision-making and demand sufficient autonomy to respond to changing needs at the opportune time and place. This contrasts with the long, ponderous and opaque processes of over-centralised decision-making.

The other side of the coin of decentralisation is the assumption of responsibility for decisions as part of the autonomy of every organisation involved. Autonomy, responsibility for decisions and compromise in terms of results make up a virtuous trio that we find in the best training systems. This demands a clear allocation of responsibility, as well as mechanisms to coordinate and manage the various players involved in the strategies and decision-making at different levels.

2.5 Effectiveness and efficiency

The three principles described above may be presented from a different standpoint encompassing them all: the effectiveness and efficiency of the system. Focusing the organisation on results, involving the players and encouraging their participation, promoting autonomy and responsibility and opening the organisation up to accountability are all measures calculated to achieve greater effectiveness in attaining objectives measured in terms of results.

The ongoing training system reforms in most of the MEDA countries will face significant challenges over the next few years. For example, to focus public investment on the preparation of human resources to help to open up their economies to the international context. To do this, these countries need to prepare quantitatively to train a larger number of people, improve the quality of the training provided to generate a well-qualified workforce, and adapt their provision to the needs of a changing production environment. But these objectives can only be attained with a substantial increase in their capacity to achieve the expected results (effectiveness) and to obtain better returns from existing resources (efficiency). It is in this contradictory context that the success of the reforms will be played out.

Addressing the effectiveness of a training system especially requires reforming its system of governance in the aspects described above; these in fact form a set of interconnected elements that cannot easily be isolated and which all have a reciprocal effect.

Without improving the transparency of decision-making and accountability towards the players within the system, it will be hard to involve them all and encourage them to participate. These players are essential to the proper functioning of the system. Without confidence in the players, and the confidence of the players in the system, any autonomy in decision-making could become a problem. If there is no involvement or responsibility on the part of all players, the efficiency of the resources will not improve, and it will be difficult to obtain fresh economic resources to fund reforms and to attain greater effectiveness in achieving results. Improving governance therefore emerges as one of the key elements in any reform of training systems.

There is then a need to define specific plans aimed at improving governance, to set aside specific resources to attain this objective, and to provide evaluation procedures to verify progress.

Measuring the evolution of governance in a training system by means of precise indicators is the essential route to detecting errors, consolidating progress and analysing obstacles along the way.

3. MEASURING THE EVOLUTION OF GOVERNANCE

However, declarations of good intent that do not result in specific plans, let alone in mechanisms to verify the results, abound in the area of governance. For this reason, if we are to reform the various dimensions of training system governance, it is essential to back up the proposed objectives and actions with methods of measuring and monitoring their effects.

The rapid spread of contributions to the debate on governance over the last few years would certainly not have happened without the efforts applied to developing methods of evaluating and measuring its assumptions. There are today a host of organisations and agencies that have established sets of indicators covering different aspects of governance in general at an international level (see for example UNDP, 2004a). However, there is less experience in applying these methods in more specific fields, such as training or other specialised systems; but the substantial development of methods of evaluating public policy undoubtedly offers experience that can easily be applied to concepts of governance. In fact, the study of governance has incorporated a number of assumptions and methods used in political science to evaluate public authorities.

The construction of an arsenal of indicators reflecting the evolution of the main dimensions of the governance of a given system is one of the most effective measures to evaluate its development and to measure commitment to it, with a view to improvement.

3.1 Difficulties in drawing up indicators on governance

The methodological note *Euromed Observatory Function: guidelines for developing indicators on technical and vocational education and training* (Sauvageot, 2007) explains in detail the problem of constructing a system of indicators and proposes criteria and methods for drawing them up. In the suggestions set out below, we apply these criteria specifically to the issue of governance.

The conception of an integrated system of indicators means answering four basic questions

- What do we want to measure, in terms of the goals and objectives of the system, to develop the conceptual basis required to define the system of indicators?
- What can we measure, given the sources currently available, and their reliability?
- What are we going to measure? (suggested final set of indicators)
- What should we be able to measure? (objectives to be considered for future improvement of the information system)

EUROMED OBSERVATORY FUNCTION: INDICATORS FOR THE GOVERNANCE OF VOCATIONAL TRAINING SYSTEMS

Drawing up indicators on governance of training systems comes up against a series of specific problems generally relating to the lack of formalisation in the objects that serve as points of reference, to the reliability of the sources of information and to the position of the observer in relation to the object under analysis.

It is one thing to measure the evolution of governance in relation to a training system implemented by a body external to the system itself, and quite another if the system is provided with a tracking mechanism to evaluate progress and obstacles to progress towards improved governance. No doubt there is an intermediate position where it can be agreed that the system itself needs an external body to measure the evolution of its governance, while assisting in some way in drawing up a set of indicators and methodologies to achieve this.

In any case, we need to relate the arsenal of indicators to the objectives of the training system, which define what we want to measure. Where these objectives are not explicitly defined, we need to establish a sufficiently broad consensus with the system on the dimensions to be measured and evaluated.

We need to take account of internal and external perceptions of the systems, whether the observer is the system itself or an outside agent. The contrast between these two perceptions provides a good method of verifying the degree of openness of the system to the service of its recipients, as well as its degree of focus on results. In systems that are more closed in on themselves, the distance between the two perceptions will be much greater.

The sources of information used to construct the indicators may be very varied, ranging from statistics on the system itself to direct observation, surveys, interviews and so on. In the area of governance, we must always combine quantitative and qualitative methods and sources according to the level we are trying to measure. Three levels of question to be measured can be identified:

- *Input.* At this level, indicators are usually concerned with agreements, declarations and commitments.
- *Process.* Here, indicators show the extent to which the players have acted in ways calculated to meet their responsibilities and commitments. This would include verifying the operation of organisations or institutions tasked with enforcing the agreed obligations.
- *Output.* These indicators measure the results achieved in terms of the objectives set.

At the first level, in most cases, it is a matter of detecting the existence or otherwise of these declarations or commitments, and describing their main characteristics. The second level is concerned with using pre-established criteria to measure the development of the processes designed to attain the objectives identified at the first level. These criteria are often qualitative, although it may be possible to quantify some standard process typologies. It is at the third level that we will find it most feasible to quantify the results and hence to invoke quantitative indicators.

Although any indicator is meant to link a series of attributes whose quality can be validated (see checklist), when these are applied to the area of governance, it is generally accepted that we should give more attention to three basic rules, because of their greater conceptual complexity.

Three basic golden rules

- *Golden rule 1: Use a range of indicators.* A single governance indicator which captures the subtleties and intricacies of national situations, in a manner which enables global, non-value laden comparison, does not exist. Using just one indicator could very easily produce perverse assessments of any country and will rarely reflect the full situation.
- *Golden rule 2: Use an indicator as a first question – not a last.* As an indicator becomes more detailed, it is more likely to point towards actions which could lead to an improvement in the result. Often indicators can be developed step by step as more information becomes available.
- *Golden rule 3: Understand an indicator before you use it.* This is perhaps the most crucial rule of all, since by using an indicator you can be considered to be implicitly endorsing it, including its methodology and normative assumptions.

Source: UNDP/European Commission (2004).

Checklist for indicator attributes

- *Validity* (i.e. does the indicator measure what it purports to measure?)
- *Reliability* (i.e. can the indicator be produced by different people using the same coding rules and source material?)
- *Measurement bias* (i.e. are there problems with systematic measurement error?)
- *Lack of transparency* in the production of the indicator
- *Representativeness* (i.e. for survey data, what is the nature of the sample of individuals?)
- *Variance truncation* (i.e. the degree to which scales force observations into indistinguishable groupings)
- *Information bias* (i.e. what kinds of sources of information are being used?)
- *Aggregation problems* (i.e. for combined scores, to what degree are aggregation rules logically inconsistent or overcomplicated)

Source: Landman and Hausermann (2003).

Finally, if we are trying to make an international comparison, we need to be sure that sources of information are consistent, and that indicators can be compared in the sense that the same indicator measures the same things in each country and that there is a single interpretation. This is probably the most complex condition to be met by any system of indicators.

3.2 Proposed tool to measure evolution of governance in MEDA training systems

Measuring the evolution of governance of training systems has been shown to be a key tool in the success of ongoing reforms in most of the countries of the MEDA region. A mechanism for evaluating this evolution would provide a considerable incentive to open discussions in every system on progress achieved and on ways of removing any remaining obstacles to improvement.

We now propose such a mechanism, which should be drawn up with the consensus of representatives from the highest level of national training systems, who would take part voluntarily in this project.

Given the similarity between national training systems, the lack of recognised criteria for governance at regional level, the degree of development of the ongoing reform processes and the difficulty of obtaining comparable sources of information, it would seem most appropriate to think in terms of a mixed measuring instrument based on quantitative national sources of statistics, where these exist and are comparable, and on qualitative sources of governance information gathered in an ad hoc manner.

A project of this kind could be provided with a pilot group made up of representatives of national training systems, and a technical working group to draw up proposals and manage their implementation.

The instrument could be constructed in phases, beginning by addressing the first level of agreements and declarations on governance in the countries of the region, moving on to identify the processes of governance, and finishing with the results. The first objective of the instrument might therefore be to compile a report describing the norms and institutions for governance within the training systems of the MEDA countries, not attempting any evaluation but simply providing a description to be used to draw up a map of governance in the region. The second objective might be to measure the evolution of the results of the process to improve governance, by means of indicators; we could then move on to evaluate the processes of governance per se. The first objective would help to reach a correct interpretation and would provide a context for the arsenal of indicators for the second phase, because there would be a prior frame of reference.

The project could follow this sequence of tasks:

- an initial phase of consensus in the pilot group on the objectives and contents of the instrument to monitor governance of training systems and on the phases required to realise these objectives; this agreement should include an initial proposal covering the main dimensions of governance to be analysed;
- a second phase of drawing up a common framework for describing governance in each country;
- a third phase to gather the necessary information;
- a fourth phase to draw up a report describing the institutions of governance of training systems in the region;
- a fifth phase of discussing the findings of the report and drawing up indicators aimed at measuring the results of the evolution of governance;
- a sixth phase to gather the necessary information;

- a seventh phase to calculate the indicators and to draw up a report on the results of governance of training systems in the region;
- an eighth phase of discussion of the report and consensus on proposals aimed at improving governance.

The first report on institutions of governance could be based on documentary sources, a survey addressed to the authorities responsible for the training system in each country, and a number of interviews with the leading players.

The second report, on the other hand, would need a more sophisticated method of information-gathering, based on more extensive statistical data, surveys and interviews. The statistical data should ideally be comparable with existing Europe-wide indicators drawn up by the MEDSTAT and MED-SOC programmes run by Eurostat[1].

3.3 Proposed dimensions of governance to be analysed

In the preceding sections, four dimensions of governance applicable to training systems are defined. We now propose to apply these four dimensions to the design of the instrument for monitoring the evolution of governance in training systems of MEDA countries.

1. *Participation,* defined as the degree of participation of the stakeholders in decision-making at different levels of the system.
2. *Accountability,* defined as the establishment of tools for evaluation and quality control and for the whole system to render account to the players and users/recipients of training.
3. *Decentralisation,* defined as bringing the decision-making process as close as possible to the ultimate users, and including degrees of autonomy and responsibility at different levels of the system.
4. *Effectiveness and efficiency,* defined as focus on results and return on the resources used.

The first step would simply be to describe the criteria, the standards and the organisations making up the principal elements of governance in each training system. Based on this initial analysis, we would then build a consensus on the objectives to be set to improve governance and initiate the construction of indicators to measure them.

We now propose a number of criteria to be used to draw up an analytical framework to describe the dimensions of governance.

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1   The MEDSTAT programme aims at developing the information systems and improving the quality of existing services provided by the 12 Mediterranean partners statistical systems (national statistical offices and other institutions). MED-SOC is a subprogramme dealing with social statistics. MEDA-ETE covers education and training for employment.

3.3.1 Participation

The first task is to identify the players in the training system, both within public authorities and the institutional or private sector. For example:

- Which ministries or government departments are responsible for managing training activities that can be seen as integral to the system?
- What regional or local administrative bodies form part of the system, and what specific functions do they perform?
- Are companies and professional bodies part of the system?
- Are trade unions also part of the system?
- Do other organisations of parents, families, students and grass-roots associations play any role in the system?
- Is there a private sector carrying out training activities? Is it considered part of the system?
- Are there any entities or organisations that remain marginal, although they are invited to be part of the system?

Identification of the players should include a summary of the main characteristics of each of them. Once identified and described, we could present the different levels at which they are represented, their legal status, the standards that regulate them, their composition, who appoints their members, what functions they have and how they work. This would include general participatory bodies from the highest level and from intermediate levels, whether regional, sector-based or central.

3.3.2 Accountability

This is concerned with describing the mechanisms for transparency within the system. For example:

- What mechanisms are there for evaluating the system? Are there independent bodies to evaluate the system or regular programmes of continuous assessment? What is their legal status, what are the standards that regulate them, how are they made up, who appoints their members, what functions do they have, what tasks do they perform and what are their activities?
- How is quality control of the system handled? Are there specific bodies tasked with this function; are there specific people, departments or programmes for this purpose? What is their legal status, what are the standards that regulate them, how are they made up, who appoints their members, what functions do they have, what tasks do they perform and what are their activities?
- What means of communication and what mechanisms for rendering account are provided? What do they consist of, what activities are performed and how widespread are they?

3.3.3 Decentralisation

This is concerned with stating where and at what distance from users or from the central authority the important decisions are made within the training process. For example:

- Are there structures to devolve central authority for making decisions on the training process? What type of bodies are these, what are their functions, what kind of decisions do they take, what degree of autonomy and responsibility do they have? What is their legal status, what standards regulate them, how are they made up, who appoints their members?
- Are there other public or private organisations or public authorities (regional or local), other than the central authority for the system, taking part in decision-making? What type of bodies are these, what are their functions, what kind of decisions do they take, what degree of autonomy and responsibility do they have? What is their legal status, what standards regulate them, how are they made up, who appoints their members?

3.3.4 Effectiveness and efficiency

This descriptive phase is concerned with presenting the results of the system, without as yet moving on to draw up any indicators to interpret and compare these findings. This initial exercise would serve to confirm the availability of information, verify its quality, detect any gaps and problems of comparison that might appear later at the point of constructing the indicators. We could for example gather existing information on:

- the players in the system;
- people obtaining degrees, diplomas, etc.;
- the characteristics of the main training systems;
- the human resources devoted to training activities;
- the budgets allocated to the system;
- the sources of funding for the system.

By way of example, this framework could form the content of an initial descriptive map of the elements making up governance within the training systems in the countries of the region.

3.4 Objectives and indicators to measure evolution of governance

A very useful and almost essential step would be a report on the characteristics described in the previous section in order to tackle, with better chances of success, the creation of a range of indicators on governance in training systems. The lack of systematic descriptive information to serve as a reference point, along with the lack of explicit governance objectives for most of the training systems, constitute a gap in terms of the creation of indicators that could damage the rigour and credibility of the entire governance monitoring mechanism.

The route to establishing acceptable objectives that are shared by the various training systems in the region would be facilitated by the outcomes of this report. By way of example and simply with a view to facilitating discussion, we propose some possible objectives to be defined.

Objective 1: Participation

To encourage the participation of stakeholders at all levels of the training system. This overall objective could be expressed more thoroughly through the following intermediate objectives:

- To draw up cooperation and coordination agreements between the various national administrations developing training activities.
- To promote or extend participative bodies with the main stakeholders in the system at the highest level of decision-making.
- To improve the independence and capacity for initiative, control and operation of existing participative bodies.
- To promote more active participation by social partners in the key training system decisions.
- To involve businesses in decisions on training content and on the training offer at central level and at the level of training centres or establishments.
- To draw up clear regulatory frameworks within which private training initiatives can be developed.
- To encourage participation by businesses, social partners and parent and student associations at the level of training centres.

Objective 2: Accountability

To promote the accountability and transparency of the system. This generic objective could be developed into more specific objectives, for example:

- To create specific bodies to evaluate the system.
- To create specific bodies to promote the quality of training and of the system.
- To set up programmes to communicate and disseminate the outcomes of the system.
- To define publicly and report periodically on the commitments of the training system.

Objective 3: Decentralisation

To extend the autonomy of intermediate bodies and training centres. This objective could, for example, be broken down as follows:

- To extend autonomy and responsibility in managing the necessary resources.
- To extend the autonomy and responsibility of intermediate bodies in decision-making relating to the training offer, the creation of specialisms or the adaptation of training content to their own context.
- To delegate the main decisions on managing the system to bodies in which stakeholders participate.

Objective 4: Effectiveness and efficiency

To increase the outcomes of the system by making them more appropriate to labour market needs. This objective could be expressed more thoroughly by means of other more specific objectives:

- To expand staffing within the system.
- To promote participation in the system by those communities with the greatest training deficiencies and the most difficulties in relation to the labour market.
- To improve the quality of training and its contribution to providing the labour force with the qualifications required by the economic system.
- To improve training of teaching staff
- To set up the skills needed by the knowledge society.
- To develop skills in new information technologies.
- To manage existing resources better by rationalising training investment.
- To increase the system's sources of finance by giving value to public investment.

Once consensus is reached on a set of objectives, it will be possible to construct a range of indicators to measure the outcomes obtained over a specific period.

As a proposal for discussion, we suggest constructing four qualitative composite indicators, one for each aspect according to which governance has been defined, which correspond to the four possible major objectives which we have put forward.

We suggest that the first three composite indicators (participation, accountability and decentralisation) should be constructed on the basis of information gathered as the result of surveys and that the last indicator, relating to the efficiency of the system, should be devised on the basis of statistical data provided by the system itself.

We now give examples of possible indicators based on the model indicator sheet presented in the methodological note *Euromed Observatory Function: guidelines for developing indicators on technical and vocational education and training* (Sauvageot, 2007).

The composite indicator relating to *participation* could measure three aspects of the degree of participation of contributors to the system:

- degree of participation of social partners in management bodies;
- degree of participation of local social partners and businesses in training establishments;
- degree of participation of the private sector.

Indicator	Participation of social partners in management bodies
Aim	To measure the degree of participation of social partners in the system
Level	National and regional
Breakdown	
Method of calculation	By means of questionnaires with questions such as: • Are there participative bodies at the highest level of the training system? • Is the participation of representatives of the employer and trade union sectors or other socio-economic bodies present in the central management bodies of the training system: very active, not very active, passive, non-existent?
Source	Survey carried out with system managers
Frequency	Annual

Indicator	Participation of social partners in public establishments
Aim	To measure the degree of participation of social partners in public establishments
Level	National and regional
Breakdown	By training programme
Method of calculation	By means of questionnaires with questions such as: • Is the participation of representatives of the employer and trade union sectors or other socio-economic bodies involved in the management bodies of public training centres: very active, not very active, passive, non-existent?
Source	Survey carried out with a sample of centres
Frequency	Annual

Indicator	Participation ratio of private sector
Aim	To measure the degree of development of the private training sector
Level	National and regional
Breakdown	By training programme
Method of calculation	Number of private sector staff/total staff in the system and number of private sector training hours/total number of hours in the system
Source	Annual education census
Frequency	Annual

The composite indicator relating to *accountability* could measure three aspects of the degree of transparency of the system:

- quality of system evaluation mechanisms;
- operation of system quality-control mechanisms;
- degree of external knowledge of activities and outcomes.

Indicator	Quality of training system evaluation
Aim	To measure the quality of the system evaluation
Level	National
Breakdown	
Method of calculation	By means of questionnaires with questions such as: • Is there a body with specific system evaluation functions? • What do you think of its work? Give your opinion on a scale of 1 to 5, 1 being the lowest. • Do you believe that the training system is evaluated in a rigorous and independent way? Give your opinion on a scale of 1 to 5, 1 being the lowest.
Source	Survey carried out with representative social and economic organisations in the country
Frequency	Annual

Indicator	Operation of training system quality control
Aim	To measure the operation of system quality control
Level	National
Breakdown	By training programme
Method of calculation	By means of questionnaires with questions such as: • Is there a body with specific system quality control functions? • What do you think of its work? Give your opinion on a scale of 1 to 5, 1 being the lowest. • What do you think of the training provided by the training system? Give your opinion on a scale of 1 to 5, 1 being the lowest.
Source	Survey carried out with representative social and economic organisations in the country
Frequency	Annual

Indicator	Degree of external knowledge of training system
Aim	To measure the degree of transparency of the system
Level	National
Breakdown	
Method of calculation	By means of questionnaires with questions such as: • Do you receive regular information about the main activities of the training system in your country? • Are you well informed about the main outcomes of training in your country? • What do you think of the degree of transparency of the training system in your country? Give your opinion on a scale of 1 to 5, 1 being the lowest.
Source	Survey carried out with representative social and economic organisations in the country
Frequency	Annual

The composite indicator relating to *decentralisation* could measure three aspects of the degree of autonomy and responsibility at different levels within the system:

- degree of autonomy of training establishments;
- degree of autonomy of intermediate sectoral or territorial management bodies;
- degree of autonomy of social partners in participating in management of the training system.

Indicator	Degree of autonomy of training establishments
Aim	To measure the degree of autonomy of training establishments
Level	National
Breakdown	
Method of calculation	By means of questionnaires with questions such as: • What do you think of the degree of autonomy of your centre in relation to budget management? Give your opinion on a scale of 1 to 5, 1 being the lowest. • What do you think of the degree of autonomy of your centre in relation to the training offer? Give your opinion on a scale of 1 to 5, 1 being the lowest. • What do you think of the degree of autonomy of your centre in relation to management of human resources? Give your opinion on a scale of 1 to 5, 1 being the lowest.
Source	Survey carried out with a sample of training establishment managers
Frequency	Annual

Indicator	Degree of autonomy of intermediate bodies
Aim	To measure the degree of autonomy of intermediate bodies in the system
Level	National
Breakdown	
Method of calculation	By means of questionnaires with questions such as: • What degree of autonomy does your body have when decisions are being taken to establish or close specialist training offers in your area of specialism? Give your opinion on a scale of 1 to 5, 1 being the lowest. • What is the degree of autonomy when resources are being assigned between centres and programmes within your framework of activity? Give your opinion on a scale of 1 to 5, 1 being the lowest.

Indicator	Degree of autonomy of intermediate bodies
Source	Survey carried out with heads of intermediate bodies within the system and with representatives of social and economic organisations in the country
Frequency	Annual

Indicator	Degree of autonomy of social partners in management
Aim	To measure the degree of autonomy of social partners in management of the training system
Level	National
Breakdown	
Method of calculation	By means of questionnaires with questions such as: ● Does your organisation participate in key training system decisions? Give your opinion on a scale of 1 to 5, 1 being the lowest. ● Do you believe that your opinions are respected and taken into account? Give your opinion on a scale of 1 to 5, 1 being the lowest.
Source	Survey carried out with representative social and economic organisations in the country
Frequency	Annual

The composite indicator relating to *efficiency* should be able to measure progress in the capacity of the system to increase outcomes appropriate to the needs of the labour market. The indicator should be composed of five sub-indicators measuring:

● increase in the number of staff in the system;
● contribution of TVET to providing the qualifications required by the labour market;
● development of equality of opportunity of access to training;
● public-sector investment in TVET;
● efficiency of resources devoted to TVET.

Some examples of sub-indicators are given below.

Indicator	Net ratio of education in vocational training
Aim	To measure the extent of education in vocational training
Level	National and regional
Breakdown	By gender
Method of calculation	Workforce in an age group educated in vocational training/ population of this age group
Source	Annual education census
Frequency	Annual

Indicator	Ratio of vocational training diploma holders
Aim	To measure the proportion of a generation who gain a vocational training diploma
Level	National and regional
Breakdown	By gender
Method of calculation	Number of vocational training diploma holders in a given academic year of a theoretical age to obtain the diploma/ total population of this age
Source	Annual education census
Frequency	Annual

Indicator	Public expenditure by pupil
Aim	To measure public investment in TVET
Level	National
Breakdown	
Method of calculation	Current public educational expenditure on TVET/ number of staff/GDP per capita
Source	Public service accounts and annual education census
Frequency	Annual

Indicator	Ratio of qualified teaching staff
Aim	To measure the qualification level of teaching staff
Level	National
Breakdown	By gender and years of experience
Method of calculation	Number of teachers with the required diploma at their level/ total number of teachers
Source	Annual education census
Frequency	Annual

Indicator	Cost per teaching hour
Aim	To measure the efficiency of training programmes
Level	National
Breakdown	By training programme
Method of calculation	Overall costs of each programme/number of training hours in each programme
Source	Training system accounts
Frequency	Annual

Indicator	Degree of equity of participation in TVET
Aim	To measure the equality of opportunity of access to training in communities with employment integration difficulties
Level	National and regional
Breakdown	By gender, age, employment situation, disability
Method of calculation	Percentage difference between the proportion of people between 25 and 64 years of age with a TVET diploma in communities with employment integration difficulties and the proportion of the population between 25 and 65 years of age with a TVET diploma
Source	National census
Frequency	Annual

Indicator	Ratio of ICT in TVET
Aim	To measure the extent to which ICT have been introduced into the training offer
Level	National
Breakdown	By training programme
Method of calculation	Number of participants in ICT programmes × number of hours of training in ICT programmes/total number of staff in TVET × total number of hours provided
Source	Annual education census
Frequency	Annual

Indicator	Ratio of TVET in employed population
Aim	To measure the extent of the contribution of TVET to the qualifications of the population
Level	National
Breakdown	By gender and age
Method of calculation	Number of employed persons with a TVET diploma/total employed population
Source	National census
Frequency	Annual

The indicators we have presented are a simple exercise intended to represent types of indicators that could be constructed by defining the method to be used in calculating them and in gathering the necessary information.

The choice of definitive indicators could be made by an expert working group that would present them to a pilot group with a view to gaining consensus and approval.

Once the information has been gathered, the indicators calculated and their logic confirmed and interpreted, an annual report could be drawn up covering the outcomes of monitoring of governance of training systems in the MEDA countries.

The most interesting stage will begin once such reports are available, devoted to discussing and interpreting the outcomes in order to draw conclusions and make proposals for improving the training systems. It is surely this stage that gives meaning to the entire methodology of the system of indicators. Joint development by representatives of the various training systems in the region can become a powerful stimulus and a rich experience in terms of the exchange of points of view and good practice, which will help to motivate and consolidate the quality and outcomes of training in the region.

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