

GOOD MULTILEVEL GOVERNANCE FOR VOCATIONAL EDUCATION AND TRAINING



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EXECUTIVE SUMMARY

Increasing the effectiveness of vocational education and training (VET) policies to promote economic growth, employment and social cohesion is pivotal for the European Union (EU) pre-accession and neighbourhood countries. Holistic VET policies can support sustainable economic growth, job creation and citizens' welfare, and are applicable in every country and region in the world.

Practice shows that governance modes and models are highly correlated with the overall performance of VET policies. Governance influences the formulation and implementation of policies, and forms the basis on which policies are further monitored and reviewed. In the experience of the ETF with regard to the governance of VET, functional settings and the roles of stakeholders need to be examined and assessed, and mechanisms developed, to ensure quality VET policies from a lifelong learning perspective.

In the ETF partner countries, a wide variety of initiatives are taking place to improve governance and shape VET policies, by increasing the role of sub-national authorities, social partners and civil society organisations. This trend is in line with the European effort to enhance the role of sub-national authorities in the policy cycle, and to increase the autonomy of vocational schools and training centres. There is a growing recognition of the benefits of multilevel participation in the VET policy cycle, and the contribution of such an inclusive process to the development of integrated and comprehensive policies – policies through which VET can play a key role in promoting the welfare of a country.

Effective multilevel governance is based on inclusive vertical and horizontal interactions between stakeholders and is linked to the increased effectiveness, efficiency, coherence, transparency, accountability and performance of VET policies and systems. Sub-national entities, or regions, are well positioned to identify human capital needs and opportunities. The participation of the regions in the management of VET has the potential to stimulate economic growth at regional and local levels, and enhance the matching of regional labour supply to market needs.

The ETF appreciates that multilevel governance as a guiding instrument linked to good governance principles in VET can contribute to modernising and raising the profile of VET systems based on more multi-participatory policy dialogue. While this multilevel governance issue is still currently under review, the key messages of the report are listed below.

- In the management of VET there should be more focus on creating synergy between the different government ministries and agencies at the national level.
- Setting up effective coordination mechanisms at vertical and horizontal levels is essential to improve performance in VET policy making.
- The role of intermediate levels of governance (which may be regional, local etc.) should be clarified and strengthened.
- The management role and responsibilities of VET providers, whether schools, training centres, higher education institutions or work-based contexts should be critically examined.
- The role of social partners and civil society organisations should continually be reinforced to support demand-driven training provision.
- Particular focus should be given to strengthening the capacities of all actors regarding VET policy implementation, monitoring and review.

INTRODUCTION

The present working paper is based on analytical work conducted by the ETF in 2012 and broad consultation with ETF partner countries that included a pilot study (the study) on good multilevel governance in VET. The study was conducted in six partner countries, namely Azerbaijan, Croatia, Kazakhstan, Serbia, Tunisia and Ukraine, and its purpose was to map and assess the involvement of VET stakeholders across different functions of their national VET systems. The partner countries' performance was then compared against a set of principles and indicators of good multilevel governance developed by the ETF¹. The study was coordinated by the ETF Community of Practice on Governance, Partnerships and Regional Development.

The results of the study, presented here, incorporate the key conclusions of the ETF corporate conference 'Multilevel governance in education and training: challenges and opportunities' that took place at the EU Committee of the Regions in Brussels from 31 May to 1 June 2012. During the conference the findings of the study were presented, and multilevel governance, including stakeholder participation as a means to enhance performance in VET, was discussed.

Chapter 1 provides an overview of the key concepts and terminology related to governance, the rationale for ETF support of partner countries in good multilevel governance in VET, and the methodology adopted for the study.

Chapter 2 presents the main findings of the pilot study on VET governance in the selected partner countries. Within the different policy areas investigated and based on cross-country analysis, the successes and gaps in both vertical and horizontal cooperation as well as the strengths and weaknesses in VET management are highlighted. In addition, this chapter introduces the key pilot results of testing ETF-proposed principles and indicators for good multilevel governance in VET. It is important to underline that this pilot study was essentially a reporting exercise with a limited scope, and that while the findings may provide a useful stimulus for further analysis and debate, they should not be seen as definitive research results. Nevertheless, the study offers useful in-depth information in a number of areas, leading to some preliminary conclusions.

Chapter 3 suggests a number of areas on which policy makers and stakeholders could usefully focus, particularly the development of good multilevel governance to improve the effectiveness of VET.

The conclusion summarises the key findings while identifying some trends, coordination mechanisms and ETF actions for building good multilevel governance in VET with partner countries.

Finally, Annex 1 gives examples of successes and gaps in horizontal and vertical partnerships; Annex 2 introduces a roadmap for the development of good multilevel governance practice; and Annexes 3 and 4 reproduce the questionnaire used in the pilot study with a related glossary of terms used in the management of public policies in education and training.

In summary, this report puts forward a number of questions and lines of action for policy makers to consider in ensuring that the governance of VET is fit for purpose.

¹ For detailed information on the 2012 Torino Process, see the analytical framework for vocational education and training system reviews (ETF, 2012e).

1. GOOD MULTILEVEL GOVERNANCE: A LEADING THEME FOR IMPROVED EFFECTIVENESS

1.1 CONCEPTUAL FRAMEWORK

Governance, as the 'activity of governing', generally refers to the process whereby elements in society wield power and authority, influencing and enacting policies and decisions that affect public life. Governance comprises rules, processes and behaviour related to procedural, structural, functional and instrumental aspects of governing (Benz, 2004).

Governance emphasises interaction among institutions, processes, traditions and cultures. It determines how power is exercised, how decisions are taken, and how stakeholders, including citizens, have their say (Oliver, 2010). Indeed, governance is fundamentally about power, relationships and accountability: Who has influence, who makes decisions, and how are those who have influence and make decisions held accountable? (Abrams et al., 2003).

Good governance can be defined as the exercise of economic, political and administrative authority to manage a country's affairs effectively at all levels. It requires mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences (UNDP, 1997).

Multilevel governance can be defined as a system for making binding decisions that engages a multiplicity of politically independent but otherwise interdependent actors (both private and public) at different levels of territorial aggregation, in a more or less continuous process of negotiation and implementation, and that does so without assigning exclusive policy competence or assert a stable hierarchy of political authority to any one of these levels (Schmitter, 2004). As such, the principle of subsidiarity, that is allocating management decisions to the level where they can be most effectively made, is a key concept in multilevel governance².

The specific aim of multilevel governance is to produce coordinated action, building on synergies between the different tiers of government, and ensuring the engagement of other public and private stakeholders. Multilevel governance represents a political 'action blueprint' rather than a legal instrument, and cannot be seen solely through the lens of division of powers (CoR, 2009). This means that effective policy development and implementation is firmly based on active partnership which is supported by systematic and meaningful horizontal and vertical coordination mechanisms.

Multilevel governance also respects the principles of good governance, understood as ensuring that public resources and problems are managed effectively, provide value for money and respond to the critical needs of society and the economy. As such, multilevel governance is underpinned by the principles of openness, public participation, accountability, effectiveness and coherence (European Commission, 2001).

Horizontal and vertical coordination

Vertical coordination in multilevel governance refers to systems of communication and liaison between higher and lower levels of government, which, according to the context, may be national, regional, local, or other relevant authorities. Horizontal coordination, on the other hand, refers to the range of both public and private actors functioning at the same level – national, regional, local, or other. The process of multilevel governance of VET is a dynamic one that should in no way dilute political responsibility.

On the contrary, if its mechanisms and instruments are appropriately applied, multilevel governance can expand joint ownership and improve policy implementation. The horizontal and vertical relationships among actors involved in the process of multilevel governance can be described graphically (see **FIGURE 1.1**).

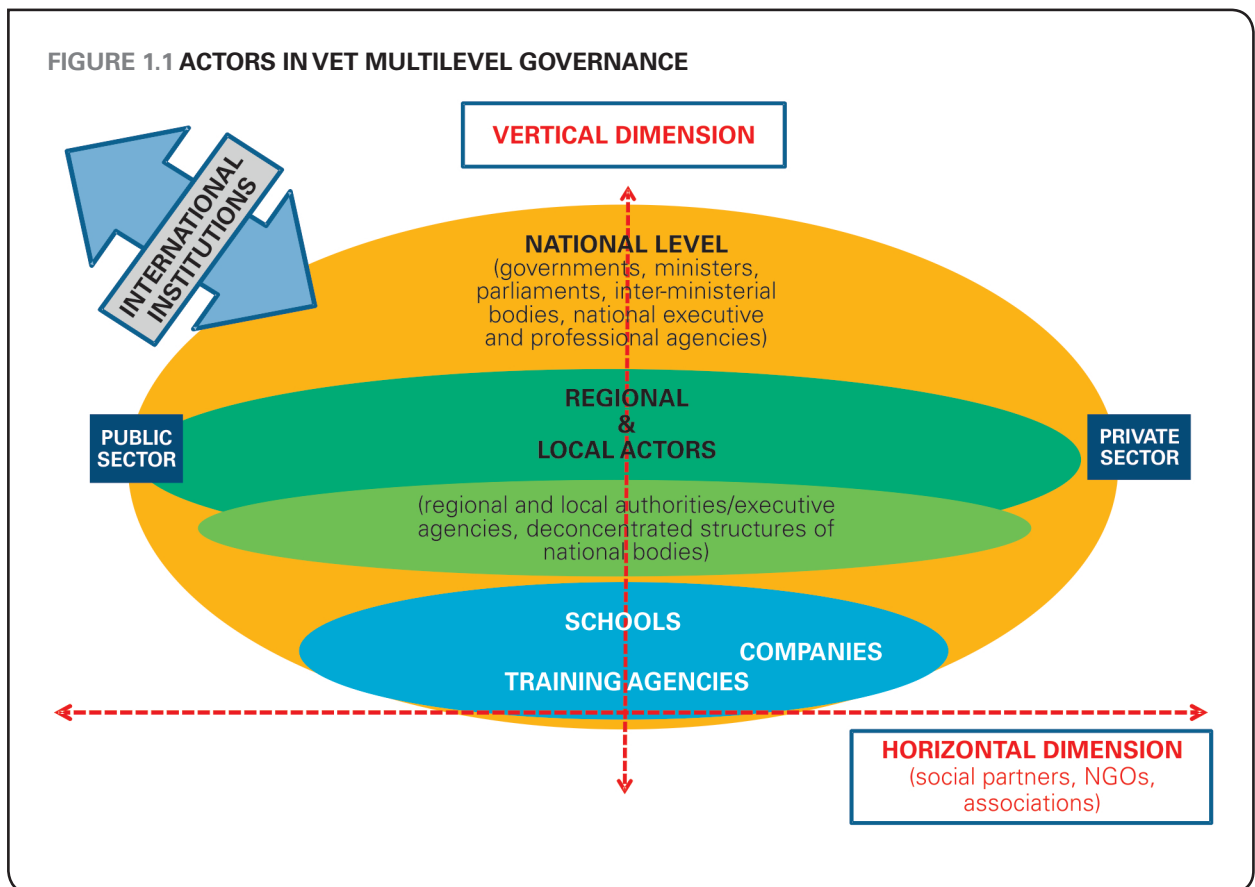
² For a more detailed definition of the subsidiarity principle, see the glossary in Annex 4.

Good multilevel governance to support VET policy making

VET is a complex policy area, situated at the intersection of education, training, social, economic and labour market policies. It is expected to address a range of issues: the present and future skill demands of the economy; individual citizens’ needs for short- and long-term employability and personal development; and society’s requirement for active citizens.

Rapidly evolving contexts, characterised by economic and technological change, globalisation and uncertain labour markets, are putting pressure on VET in the ETF partner countries. Furthermore, in those countries which are transitioning from centrally planned to free-market economies, and which are thus experiencing large-scale economic restructuring and democratisation processes, the pressure has been even more intense.

In this context, the ETF acknowledges that governance in VET can be defined as ‘a model for VET policy-making management based on involving stakeholders at all levels (sectoral, local/regional, national or international) for objective setting, implementation and monitoring. Governance aims to reinforce interaction between stakeholders and improve accountability, transparency, coherence, efficiency and effectiveness of policy’ (Cedefop, 2011a)³.



1.2 VET MULTILEVEL GOVERNANCE IN THE ETF PARTNER COUNTRIES

As is the case globally, VET in the ETF partner countries needs to meet the multiple objectives of a multitude of stakeholders. The number of stakeholders VET serves, and the rapid changes to which it needs to adapt, result in a strong imperative for good governance models that ensure effective participation, leadership and coordination.

3 This definition was acknowledged by the ETF in the Torino Process analytical framework (ETF, 2012e).

To date, initial VET (IVET) in the formal sector has been firmly under government control in many of the partner countries. However, effective delivery of continuing VET (CVET), a strong feature in the informal sector, depends largely on the efforts of large or international companies, or on traditions of informal apprenticeship. VET councils are a growing part of an increasingly stakeholder-oriented governance environment for VET. Although the number of sectoral initiatives is rising, the engagement of sub-national stakeholders remains limited.

Creating multilevel governance processes is therefore a challenge for the ETF partner countries where governance of the VET system has been traditionally centralised. Notwithstanding, all the countries are modernising their VET governance models and making efforts to adapt their education and training systems to emerging social and economic trends. Although VET governance models vary from one country to another, a set of common challenges can be identified⁴:

- institutional fragmentation,
- ineffective involvement of social partners and other non-state stakeholders,
- weak engagement of regional and local actors,
- gaps in policy implementation,
- unsystematic use of assessments provided by evaluation outcomes,
- adult learning and continuing training.

Most of the reforms that have taken place in the ETF partner countries in recent years have sought a more equitable sharing of responsibilities among different actors and a shift towards more participatory, multilevel governance approaches can be seen. Countries are increasingly recognising that the tradition of highly centralised governance has to at least develop some flexibility, and perhaps even transform itself, in order to respond to the modern demands that are made of VET⁵.

The extent to which decentralisation is embraced as a strategy varies – as do the forms of decentralisation that are preferred; yet all countries are seeking effective roles for vertical and horizontal stakeholders, whether or not they are decentralising important management responsibilities. Although the process of transformation has started, implementation of the VET reforms has not yet been fully successful and/or sustained over time. The effective involvement of a broad range of stakeholders is still limited and the vast majority of partner countries continue to operate centralised, state-driven education and training systems (Galvin Arribas/ETF, 2012). As a result of patchy implementation, the desired outcomes in the VET policy cycle have not yet been achieved.

⁴ Based on the findings of the 2010 Torino Process report and Education and Business study (ETF, 2011a and 2011b).

⁵ The 2011 Torino Process declaration – in which partner countries' representatives agreed on a set of common priorities for successful VET reform – highlights the need to reinforce 'anticipatory, inclusive and good multilevel governance, through improved education and business cooperation and enhanced social dialogue'.

2. PILOT STUDY ON GOVERNANCE IN VOCATIONAL EDUCATION AND TRAINING: KEY FINDINGS

The ETF study of 2012 represents the first attempt to explore in detail the theme of governance and the principles of good multilevel governance in the context of partner countries. The study aimed to give an overview of the current situation and to engage with partner countries in a policy dialogue on governance. Crucially, the study applied a methodology of analysis based on the European-defined principles of multilevel governance and the key features of high-performing VET systems. These elements formed the basis for the refinement of an analytical proposal, including indicators, which, although in their initial stages, have proved to be a valuable source of evidence, debate, dialogue and reflection.

The study was conducted in six partner countries, namely Azerbaijan, Croatia, Kazakhstan, Serbia, Tunisia and Ukraine, chosen according to the following criteria:

- representativeness among the ETF partner regions: illustrating issues related to enlargement, neighbourhood and Central Asia;
- relevance of current policy debates and/or developments in the distribution of functions and roles among government and non-state stakeholders (e.g. social partners), partnership approaches (at national and sub-national levels) and territorialisation issues.

The purpose of the study was to map and assess the involvement of VET stakeholders in the different functions of their national VET systems, and to evaluate this involvement against a set of principles and benchmarks of good multilevel governance developed by the ETF.

Methodology

The study collected primary and secondary information on VET governance settings and policy cycles in the selected countries by means of an ETF-designed questionnaire (see Annex 1). Using the ETF's in-country networks, the questionnaire was completed in the course of discussions with stakeholders⁶. The questionnaire mapped the functions and roles of key institutions and stakeholders in the VET and CVET policy cycles.

The pilot study was carried out over a four-week period during first quarter of 2012. Following the questionnaire, local experts, with the support of ETF experts, consulted key VET stakeholders in the six countries. The collected responses were shared with other relevant stakeholders in each country to ascertain their representativeness. In some cases, this consultation was conducted within the framework of the 2012 Torino Process. The information collected for each country was then analysed separately and compared with other countries' data to produce cross-cutting results.

The multilevel governance analysis considered the following:

- VET provider levels: national, regional and local levels, including sectoral aspects;
- stages of the policy cycle: agenda setting, formulation, implementation and review;
- CVET and IVET;
- public, private and non-profit sector VET governance processes;
- VET governance, systems and reforms;
- informal and non-formal learning, including governance of formal qualifications and systems;
- VET governance in the informal sectors of the economy, where relevant.

Three levels of governance took part in the study: national, regional and VET provider levels. The approach was complemented by a sectoral approach in which businesses and social partners could deliver their messages, thus allowing the labour market perspective to be taken into account in the decision-making process.

6 The ETF developed the methodology from December 2011 to February 2012. Data collection in the six countries was carried out between February and April 2012.

Key questions

The study mapped VET and continuing vocational training (CVT) multilevel governance within the policy cycles of the selected countries. Areas covered by the study include the identification of stakeholders, their roles and functions, levels of management, and key policy areas in VET governance. The responses obtained in the study were collated and fed into a multilevel governance matrix. The sampling scheme used to develop this tool is presented in **TABLE 2.1**.

TABLE 2.1 SAMPLING SCHEME TO IDENTIFY THE KEY FACTORS FOR MAPPING VET GOVERNANCE

Stakeholders	<ol style="list-style-type: none"> 1. Strategic decision makers 2. Officials <ol style="list-style-type: none"> a. at different levels of management responsibility b. in different ministries c. in regional/local government 3. Employers and companies, their representative organisations and chambers 4. Employee representative organisations and unions 5. Teacher representative organisations and unions 6. Non-state or third-sector organisations 7. Civil society including community and religious organisations 8. Learner/user associations 9. Employment organisations
Levels	<ul style="list-style-type: none"> ■ National ■ Intermediate (may be regional/local or provincial/municipal etc.) ■ Sectors/industries ■ VET providers (may be the leaders of schools, company training etc.) ■ Learners
Main policy areas selected	<ol style="list-style-type: none"> 1. Planning: policies for matching VET and skills needs, and social policies 2. Qualifications and curricula, including assessment and certification 3. Teachers and trainers 4. Management of VET providers: budgets, human resources, programmes, links and equipment 5. Work-based learning: policies, provision and funding 6. Quality assurance and monitoring 7. Finance
Stages in the policy cycle	<ul style="list-style-type: none"> ■ Agenda setting ■ Policy formation ■ Policy implementation ■ Policy review
Roles/functions of stakeholders	<ol style="list-style-type: none"> 1. Initiator 2. Main decision maker 3. Co-decision maker 4. Consultative role/consultee 5. Acting on instructions/implementing decisions 6. Evaluation and monitoring 7. Funder 8. Co-funder 9. Evaluator 10. Partner 11. Other

Source: ETF, 2012d

Respondents to the questionnaire were asked to identify between three and five broad VET policy areas and/or particular policies, and to describe how the governance process actually works, as well as highlighting any discernible trends that may be developing in the country. Selected issues had to be supported by examples of good practice, relevant developments, bottlenecks and challenges. The questionnaire provided a framework of guiding questions for the respondents.

A set of six principles of good VET governance was developed and linked with 23 benchmarks to assess the multilevel governance of VET in each country. Respondents to the questionnaire were asked to assess the performance of their national VET governance and management systems against these principles and benchmarks. The final part of the questionnaire invited the respondents to identify the strengths and weaknesses in current practice, as well as opportunities for and barriers to the enhancement of multilevel governance in their national VET and CVT policies.

2.1 VET MULTILEVEL GOVERNANCE: WHO, WHAT, HOW

A summary of developments in VET multilevel governance in the selected countries provides an overview of the functions and reforms in the main VET policy areas. The selected policy areas for the pilot study were identified as:

- planning,
- policies for matching VET and skills needs,
- qualifications and curricula,
- teachers and trainers,
- management of VET providers,
- work-based learning,
- quality assurance and monitoring,
- VET financing.

The gathered evidence points to a number of common trends in multilevel governance of VET in the selected partner countries. All six piloted countries have centrally-driven VET systems with limited horizontal and vertical engagement of actors. However, an increase in the role of regional and local actors, such as VET providers, social partners and other non-governmental organisations, can be detected. This indicates that some structures for cooperation have been forged.

A cross-cutting analysis of the six countries reveals a set of coordination mechanisms, mainly based on strategic institutional cooperation or knowledge creation (e.g. technical tools), and these are facilitating more participatory policy dialogue among VET stakeholders. In some cases, such initiatives are connecting key actors from education, labour and the world of work, as well as regional authorities. Relevant examples are:

- national VET strategies,
- VET, sectoral or regional (skills) councils and other advisory bodies,
- steering and/or joint committees or boards,
- inter-ministerial cooperation groups,
- inter-regional cooperation groups,
- vocational school networks,
- networks for quality assurance,
- national qualifications frameworks,
- tripartite agreements,
- contract arrangements to promote work-based learning,
- skills/needs assessments/analysis,
- observatories of employment and training,
- inventories of training demands for employment,
- surveys on skills needs in regions (sub-national levels),
- pilot projects led by regional actors,
- laws in local self-government.

2.2 STRENGTHS AND WEAKNESSES IN VET MANAGEMENT

Cross-cutting country analysis of the information collected highlights some common strengths and weaknesses across the six countries. This section presents the strongest and weakest factors revealed by the data in the management of VET multilevel governance processes. These factors may be seen as driving policy reforms, but the fact that most of the six countries have a centralised system for VET and state organisation should be borne in mind when implementing VET reforms here, or when viewing them as a source of policy learning for other countries.

Four areas of strength

The first area of strength identified in the study is the *flexibility and openness to engage at ministerial or central level*. This is particularly relevant in the contexts of the six partner countries selected, where legal frameworks remain highly regulated. Receptivity on the part of the central government was demonstrated, for instance, by the Ministry of Education being prepared to review existing VET governance arrangements (e.g. Croatia) and seek improvements, in addition to the departments, directorates and agencies of the ministry being empowered to initiate reforms. Such an attitude is conducive to establishing pilot projects and innovations that promote sound practice and the critical use of both stakeholder experience and international support. The study found that a corresponding flexibility was evidenced in Azerbaijan and Kazakhstan.

The second strength is the *link between an inclusive VET governance process and its perceived success*. Engagement with horizontal and vertical actors was seen as positive, even where questions about the roles, responsibilities and functions of the different actors were not fully resolved. Where there was good communication from the outset, governance processes were deemed more successful by the relevant actors.

Building on such positive experiences, the engagement of actors that had often begun in an ad hoc manner was often later formalised and institutionalised by the establishment of bodies such as VET councils, VET agencies, sector (skills) councils, or by the formation of a steering group for developing or implementing a national qualifications framework. Such engagement of a wide array of actors in VET policy cycles was found in Serbia, Kazakhstan and Croatia.

Strong *links between the multilevel governance of VET and a wider national development policy* and/or a broadly skills-based approach to human resources development, is the third area of strength. Such linkages can generally be found in those countries where there is a strong government commitment to strengthen the role of VET, and where there is a clear and shared national strategy in which VET is seen as a prerequisite for national development.

Such a holistic approach implies a growing reliance on interlinked reforms across all the systems and subsystems of VET, as well as the importance of links with employment, social and wider economic strategies. Evidence of linkages between national development planning and VET governance could be seen in Serbia and Azerbaijan.

The fourth area of strength refers to the *underpinning of promising developments in VET multilevel governance by appropriate supporting measures*. These can include quality assurance systems, improved procedures for licensing, certification and accreditation of VET establishments, and changes to VET qualifications and curricula. Such measures can contribute to successful reforms in specific VET policy areas, and may activate the political will to engage sub-national actors in national policies. Successful supporting measures were found by the study in Ukraine, Croatia, Tunisia and Kazakhstan.

Weaknesses

Centrally-led VET governance systems were reported as being somewhat rigid and slow to adjust, with sub-national actors often left on the sidelines. Furthermore, a number of countries were seen as lacking the effective implementation measures which could be used to fill capacity gaps at all levels: government, VET providers, employers and social partners.

Other potentially problematic areas were identified as funding mechanisms, quality assurance, curricula, qualifications, and standard-setting, while intelligence gathering, through stronger research and development capacities and information management systems, needs to be enhanced. Although in some of the countries coordination among horizontal and vertical actors was reported as a strength, a number of weaknesses were also highlighted (see **TABLE 2.2**).

- Wider engagement of horizontal and vertical actors, where it occurs, is rather formal – particularly the engagement of the social partners and non-governmental actors.
- Vertical engagement is weak between the different levels of governance, for example where regional and local-level responsibilities are not well defined and coordinated.
- Horizontal engagement is ineffective, both between ministries and social partners at the national level, and between VET providers and other actors at the local level.
- Although the development of mechanisms for engaging VET actors is reported positively, in some countries it has resulted in confusion over roles, responsibilities and key relationships in the decision-making processes.
- Decentralisation processes in VET need to be accompanied by revised terms of reference for those affected.
- Increased professional and organisational autonomy would enhance the development of participatory, inclusive VET multilevel governance models. Moreover, increasing the autonomy of providers, accompanied by relevant accountability measures, would enable continued provider-based quality improvement of VET.

TABLE 2.2 GOVERNANCE AND MANAGEMENT OF VET SYSTEMS IN SIX PARTNER COUNTRIES

Main strengths	Main weaknesses
Flexibility and openness at the central level and engaging actors to implement reforms creates good political will.	Strong centralised systems may lack transparency and be perceived as inflexible by other key peripheral actors.
Lasting synergies could evolve if the VET reform process under way showed signs of success and included key stakeholders (the <i>partnership value</i>).	Slow and hesitant implementation of new VET laws and reforms might result from the non-engagement of relevant actors (the <i>partnership gap</i>).
The development of VET governance linked to national development strategies/policies creates trust and commitment among actors.	VET governance and policies not associated with socioeconomic strategies might become inefficient, generating discouragement among actors and/or a lack of interest.
Encouraging VET reforms in key policy areas (quality assurance, curricula reforms, certification/ accreditation of VET providers and qualifications) could lead to improvements in governance settings and higher standards in management and general performance.	VET reform plans which lack implementation measures in key policy areas (funding systems, curricula, qualifications etc.) are associated with inefficiency, lack of motivation and capacity, weak intelligence and poor management information systems.

Source: Adapted from ETF, 2012b

2.3 PRINCIPLES AND INDICATORS

Based on existing literature, the ETF prepared a set of principles for multilevel governance of VET (see **TABLE 2.3**). These principles and their indicators remain open for discussion and debate. However, they provide a useful framework for analysing the development of good multilevel governance in VET⁷.

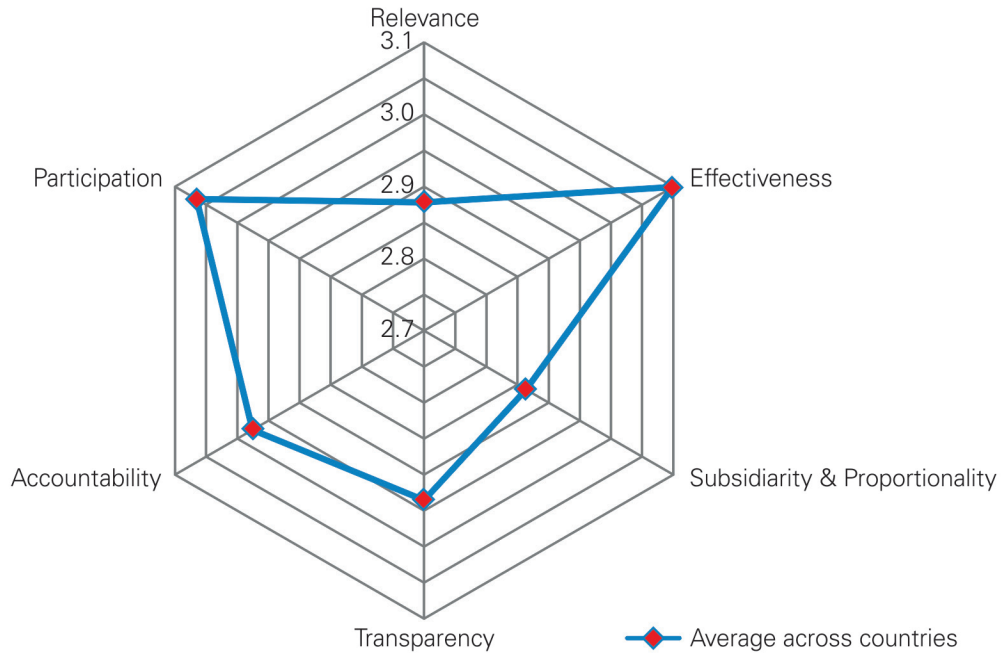
For the surveyed countries, responses indicated the highest performance on the principles of effectiveness and participation, whereas subsidiarity, proportionality and relevance in VET performed poorly in all six countries (see **FIGURE 2.1**).

⁷ As well as being tested in the pilot study, these principles and qualitative indicators were widely discussed at the corporate conference. An additional indicator was inserted as a result of discussions at the conference. These indicators may be subject to further consultation.

TABLE 2.3 VET MULTILEVEL GOVERNANCE: ETF PRINCIPLES AND INDICATORS

Principle	Working definition	Indicators
Relevance	Responsiveness to the needs of the economy, society and learners	<ul style="list-style-type: none"> ■ Governance settings support the economic role of VET, e.g. by anticipating/matching skills needs and linking this to more competence-based curricula. ■ Governance settings support the social equity role of VET, e.g. by opening up access to learning and accreditation to wider groups, or expanding CVET. ■ Governance settings support the innovative role of VET, e.g. by introducing sustainability skills or entrepreneurial skills and/or key competences. ■ Governance settings mobilise smart, efficient financing and funding mechanisms at all levels of the VET system. ■ Governance settings respond to learner and labour market needs, e.g. by introducing more flexibility, linking formal and informal sectors and developing more outcomes-based approaches. ■ Governance settings support the improvement of professional standards and the professional development of VET teachers and trainers across settings.
Effectiveness	Delivering VET policies in a timely fashion, on the basis of clear objectives, assuring quality, learning from experience and producing expected outcomes	<ul style="list-style-type: none"> ■ Feedback shows that current governance systems support VET provision and the implementation of reforms, particularly at the provider level. ■ Governance supports the achievement of national development goals and a range of broader policies, at national, intermediate and provider levels. ■ Goals are formulated in response to shared concerns and identified policy gaps, while taking into account the suitability of resources for implementation. ■ Quality assurance mechanisms operate or are developing, and these help to improve quality and apply fit-for-purpose standards. ■ Governance procedures are recognised to be efficient, in that they provide good value for money*.
Subsidiarity and proportionality	Decisions taken at the most appropriate level to support performance in VET policy making	<ul style="list-style-type: none"> ■ Decisions are taken at the most appropriate level and/or at the lowest level to optimise VET policy implementation. ■ Roles and responsibilities of stakeholders do not conflict and do not leave gaps in the policy-making process. ■ Both hard regulation (laws etc.) and soft regulation (recommendations, opinions etc.) apply to each stage and level in the policy cycle.
Transparency	Open processes and sharing of information through the VET policy cycle	<ul style="list-style-type: none"> ■ VET policy agenda setting, formulation, implementation and review are open processes that engage the identified stakeholders. ■ Policy dialogue is coordinated and supported by relevant documentation, reports, guidelines etc. ■ Management information systems and other data meet the governance needs of the stakeholders. ■ Formal and informal mechanisms for sharing information operate so that information is used regularly by VET stakeholders.
Accountability	Roles, functions and responsibilities clearly defined, and practices complying with standards	<ul style="list-style-type: none"> ■ Governance practices comply with standards, regulations and procedures and are agreed by different stakeholders. ■ Governance responsibilities, roles and functions are defined clearly and take into account the outcomes expected by users and stakeholders. ■ Decision makers assess and respect the contributions and recommendations of the different stakeholders.
Participation	An inclusive approach engaging key actors and partners at vertical and horizontal levels throughout the policy chain	<ul style="list-style-type: none"> ■ The appropriate range of stakeholders is engaged collaboratively throughout the VET policy cycle. ■ Different government agencies (e.g. ministries) and different levels of government (e.g. national/regional/local) are engaged actively. ■ Coordinated participation mechanisms (e.g. social dialogue, consultation, advisory bodies) enable stakeholders to participate at key points.

Note: (*) This indicator associated with the effectiveness principle was not included in the pilot study questionnaire. It was added as a result of discussions at the ETF corporate conference (31 May-1 June 2012).

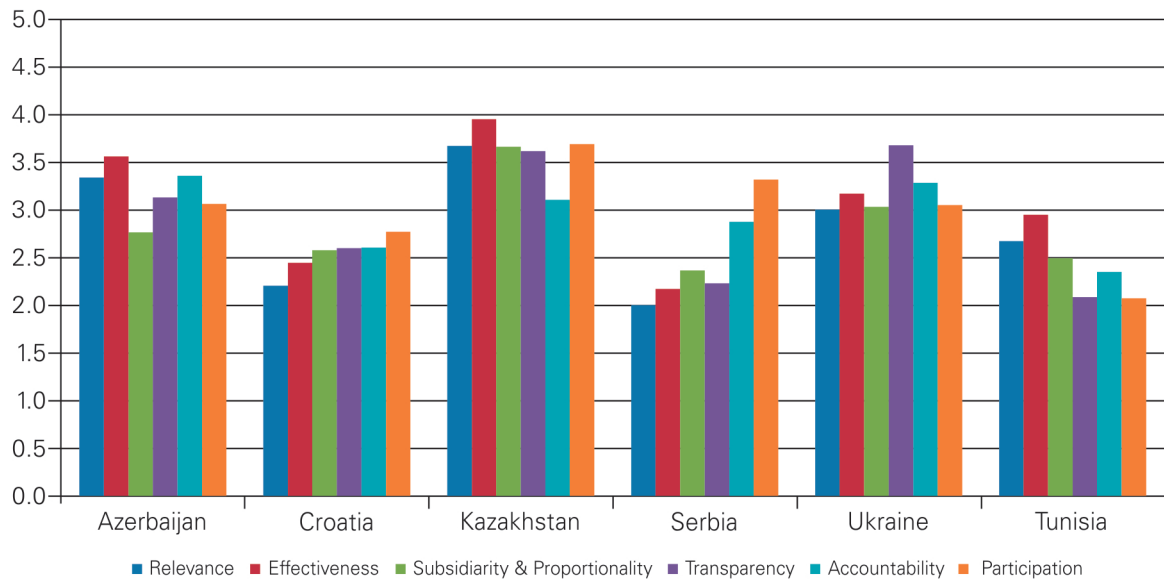
FIGURE 2.1 AVERAGE OF PRINCIPLES ACROSS SIX PARTNER COUNTRIES

Note: The country average has been calculated taking total scorings given to each of the benchmarks for each principle.
 Source: ETF, 2012b; authors' elaboration based on data collected from the pilot study questionnaires

The results of the stakeholders' self-assessment on ETF-defined good multilevel governance principles and indicators, revealed the following key common trends (see **FIGURE 2.2**).

- VET governance models are underperforming in the mobilisation of financial resources at the different levels of the VET system and in the activation of effective mechanisms to deliver the right skills, that is the skills required by the labour market.
- National governance settings seem to be well prepared to support the role of VET in promoting social equity, but there should be further discussion on making them more responsive to VET as a key contributor to economic development.
- Transparency remains an important issue in all six countries, largely due to insufficient use of management information systems and the questionable quality of the data.
- Participation in VET governance through horizontal and vertical cooperation processes is poor, which in turn impairs the efficiency of policy making and implementation.
- The principle of subsidiarity and proportionality is not well observed, which has a negative effect on the development of VET multilevel governance.
- Governance systems tend to support VET provision and, in a number of cases, contribute to achieving national development goals.
- The roles, functions and responsibilities of stakeholders should be more comprehensively and/or clearly delineated.
- Multi-stakeholder engagement in VET governance is usually limited to the early consultative stages and does not continue throughout the policy cycle to include the detailed planning, implementation and review processes.

FIGURE 2.2 PARTNER COUNTRIES' SELF-ASSESSMENT USING THE VET MULTILEVEL GOVERNANCE PRINCIPLES AND INDICATORS



Note: A five-point scale has been used for countries' self-assessment. The points in the vertical axis are as follows: 1 = very weak performance; 2 = weak performance; 3 = neither good nor bad performance; 4 = good performance; 5 = very good performance. Source: ETF, 2012b; authors' elaboration based on data collected from the pilot study questionnaires

3. POLICY DEVELOPMENT ADDRESSING GOOD MULTILEVEL GOVERNANCE IN VOCATIONAL EDUCATION AND TRAINING

In recent years the ETF has observed that education and training reforms launched in the partner countries have created a growing impetus towards a division of responsibilities between different actors at both vertical and horizontal levels.

Consequently, five focal areas have been identified for further action and policy development in VET, in cooperation with partner countries, to address good multilevel governance:

1. VET leadership at the national level;
2. addressing the regional and local dimensions of VET policies;
3. institutional leadership of vocational schools and training providers;
4. social dialogue and effective partnerships in VET;
5. evidence-based policy development in VET and good multilevel governance.

3.1 EFFECTIVE VET LEADERSHIP AT THE NATIONAL LEVEL

The role of national VET leaders and institutions is more challenging than ever before. For instance, worldwide socioeconomic uncertainties are impacting on labour markets, which are experiencing sectoral restructuring, industrial changes and declining demand for labour, while, at the same time, specific skills shortages remain in some areas. These issues put more pressure on VET policies as the core vehicle to mitigate unemployment and boost productivity. Therefore vocational institutions must respond to labour market needs, and to do this they must raise standards, to achieve excellence and attract talent into the sector.

Effective leadership at the national level should be seen as an essential component of the good governance of VET systems and of successful reform programmes. Effective VET leadership applies to all the stages of the policy process, from early consultation and planning (including planning and leading change) through to the implementation and review phases of VET policy cycles.

In this context, modern profiles of VET actors and leaders have to encompass different roles and fulfil diverse functions. The findings of the pilot study suggest that a key competence for VET leaders is the ability to manage multilevel networks (international, national, sectoral, regional or local). In other words, VET leaders have to be able to work in partnerships both vertically and horizontally.

Education and labour ministers, national agencies and social partner organisations at the national level are the target groups for building VET leadership capacities. Within the VET sector these leaders are: directors, headmasters/principals of vocational institutions and organisations, team middle managers, training managers and human resources executives in companies, teachers, trainers and other actors responsible for VET delivery and leadership. However, the pilot findings suggest that defining who VET leaders are may be the matter for further reflection and discussion in partner countries⁸.

Furthermore, VET has to develop an innovative role in supporting national development policies and enhancing citizens' competence in *learning to learn*. Important associated policy areas are: financing; engaging with the informal sector; linking VET with general, higher, continuing and adult education; training the teachers and trainers; and optimising the use of technologies and ICT. In this context, effective VET leadership has to cope with progressively more complex and demanding tasks⁹. Indeed, modern leaders in VET should be focused on providing conditions to support VET attractiveness¹⁰.

⁸ So far there has been little evidence-based research into VET leadership. For an overview on European debates and approaches, see Cedefop (2011b).

⁹ On these issues see ACER and LH Marin Institute, 2010.

¹⁰ National VET leadership and the implications for the attractiveness of VET in the context of increasing enrolment in higher education in ETF partner countries was identified as a challenge to be debated further in the framework of Workshop 2 at the corporate conference. Data on enrolment in higher education compared to VET worldwide can be elaborated using the UIS (UNESCO Institute for Statistics) database available at: www.uis.unesco.org/Pages/default.aspx

Partner countries are progressively taking to heart the need to improve the national leadership of VET and have planned and/or begun to roll out some major developments in this respect. More detailed discussions on this goal could help to identify further gaps and potential areas for action, for example to improve the coherence of national VET policies and the relationship between the different public agencies, such as ministries, engaged at the national level. The ultimate aim is to achieve a broad consensus on a national strategy for VET that can be sustained and delivered over the medium and longer term.

At this point, actors involved in VET policy making face the dilemma of identifying the best policy options regarding coordination mechanisms for achieving better performance in the policy cycle. The effective distribution of roles and functions is a crucial issue (see **BOX 3.1**).

BOX 3.1 BUILDING CAPACITIES TO SUPPORT EFFECTIVE VET LEADERSHIP

The problem sometimes may not lie principally with the system or model of VET governance, but rather may be found in the area of coordination, communication and understanding the roles, functions and responsibilities of everyone engaged in the partnership. A wide range of roles, responsibilities and tasks concerning the various facets of good multilevel governance in VET have to be learned by engaged VET actors. In this respect, several challenges or potential gaps can be identified.

- Advocacy is a key issue, although it has to be learned to obtain results.
- Empowering VET leadership capacities is crucial (e.g. negotiation, bargaining, mediation, communications and creativeness): identifying the right set of abilities for VET leaders remains a challenge.
- Resources in terms of both funding and personnel are required.
- Motivation or incentives, particularly on the part of the private sector (*why get involved?*) and government (*why let go of some aspects of central power?*) are important.
- Developing initiative on the part of social partners will reduce their reliance on government intervention to solve their problems.
- More proactive positions deployed by regional powers towards central authorities are needed.

The ETF should coordinate networks in VET multilevel governance, as well as develop an inventory of *what works* and, more importantly, *what doesn't work*. ETF support in planning policy learning on coordination mechanisms will be essential to identify the most effective policy options. The ETF should build up synergies among partner countries to meet the challenge of enhancing VET popularity in the face of competition from other learning sectors which are increasingly attracting talent (e.g. access to VET vs. access to higher education).

Source: ETF, 2012c; adapted from Workshop 2 outcomes – ETF multilevel governance conference conclusions

Certain key trends in VET governance in partner countries regarding interaction between the national leadership and other levels of the system should be debated further, for instance: projects emphasising development of the regional dimension (e.g. Kazakhstan); the role and performance of VET and sector councils (e.g. Serbia, Croatia); and issues concerning the deconcentration and/or decentralisation of central authority to lower levels (e.g. Tunisia and Ukraine).

In addition, alternative mechanisms to legislation should be explored at all possible levels. Legislation is a necessary component, but without effective policy and successful implementation, it can present an inflexible barrier to making progress. Indeed, other *soft legislative mechanisms* to support VET policy making should be reviewed.

3.2 ADDRESSING SKILLS POLICIES AS A DRIVER FOR REGIONAL SOCIOECONOMIC DEVELOPMENT

Firstly, it is important to highlight that in the case of some smaller partner countries, there might not be an overriding need for a regional approach because of the small size of the country.

In the case of one of the countries surveyed (Croatia), the decentralisation process initiated some years ago remains frozen and the role of actors needs to be clearly defined in order to move forward on the distribution of responsibilities at the vertical level. Indeed, the pilot study confirms that there is a growing need in the partner countries to share some of the functions in VET between the public and private sectors, and a call to engage social partners and civil society stakeholders in new roles for VET seems to imply that – except perhaps in countries which are too small – it is important to develop a regional or local focus.

At present, developments in this respect seem to be, at best, uncertain and halting. In particular, the benchmark, 'decisions are taken at the most appropriate level to optimise VET policy implementation' ranks among the most poorly rated indicators in the pilot study.

The challenges posed by developing a stronger role for regional government and stakeholders at a regional or local level are considerable. A regional approach allows for a more hands-on and responsive engagement between local industries and training bodies than a centralised system can offer, although in a previously highly-centralised system this adjustment can be expected to take time (see **BOX 3.2**).

BOX 3.2 RATIONALES ADDRESSING SKILLS POLICIES

In a decentralised governance model, central government retains a crucial role in VET policy making but it no longer has a monopoly on decision-making power. Rather, policy-making responsibility is now shared among a variety of actors at national and sub-national levels.

Decentralisation entails the sharing of decision making by actors at different levels, bringing decision making closer to the citizens. This results in a dispersal of administration or governance, for example, to elected regional officials, whereas deconcentration is a weaker form of decentralisation, that is, it shifts responsibilities from central government departments in the capital to centrally appointed officials working in regions, provinces or districts.

Effective public governance of vocational institutions remains problematic and their management can become a financial burden. If national vocational systems and institutions do not have to follow rigidly centralised patterns, vocational institutions can use their autonomy to better adapt to the constantly changing demands of the labour market. This correlation between the autonomy of vocational institutions and their responsiveness to market demand can also be seen as key in determining their capacity to operate flexibly and cost effectively.

The national capacity to systematically evaluate VET policy cycles needs to be enhanced in order to promote informed decision making, organisational learning, accountability and policy learning. Remaining challenges include: strengthening coherence between VET and labour market needs; regular social dialogue; information exchange and coordination of activities; and securing the political will for action and a common position at all levels.

The ETF can provide support by facilitating thematic networking across partner countries and with the EU member states, in addition to offering guidance and technical support for developing VET policy dialogue, particularly with regional actors and social partners.

Source: ETF, 2012c; adapted from Workshop 1 outcomes – ETF multilevel governance conference conclusions

Croatia, Tunisia, Ukraine, Kazakhstan, and to some extent Serbia (e.g. the Vojvodina region), are examples of countries working towards the development of skills policies based on more engagement and cooperative approaches at the national and sub-national levels.

In the case of Ukraine, there is sound evidence for vertical cooperation at the regional, local and national levels. The Ministry of Education, Science, Youth and Sports currently sets out the strategic guidelines and standards, while regional departments for education and science implement state VET policies. Local education management bodies are responsible for the financial, staff and programme management of provider institutions, as well as for upgrading facilities and equipment.

It is intended that the process of decentralisation be accompanied by a transition from state to civil control, thus combining the efforts of the state and society to overcome challenges in formulating policy and defining the range of education and training offered. For example, the Dnipropetrovsk region is conducting an on-going survey of 400 firms, together with a wide consultation process, to support reform. Nevertheless, a challenge in Ukraine is to identify new roles for all stakeholders, as well as choosing the most effective means of communication and partnership model at the intermediate level between government and VET providers. New roles and responsibilities have to be both identified and implemented. This implies considerable capacity-building work.

Policy evidence on the involvement of municipalities in human capital development issues can be found in Kyrgyzstan. In this country the law on local self-government is fully compatible with the European Charter of Local Self-government¹¹. Within this legislative context, municipalities have an independent budget with fixed tax and/or non-tax revenue sources, as well as ownership of municipal property. The Kyrgyz government plays a leading

11 Available at: <http://conventions.coe.int/Treaty/en/Treaties/html/122.htm>

role in dispensing advice and guidance to the pilot municipality in the implementation of mechanisms to ensure the socioeconomic development of its territories.

Development funds have been established in each pilot Kyrgyz municipality, which has the delegated responsibility for ensuring the economic development of its territories. The Fund for Development is targeted at the creation of jobs and the implementation of income-generating projects. In this case, the bodies of local self-government act as employers. Institutions of vocational education (VET) are considered by local governments as partners in the training of professionals to match the skills requirements of the labour market.

Currently, almost all Kyrgyz municipalities have a strategy for social and economic growth, developed with the participation of all sectors of civil society and approved by the local councils (the representative bodies of local self-government)¹².

3.3 DEVELOPING INSTITUTIONAL LEADERSHIP OF VOCATIONAL SCHOOLS AND TRAINING PROVIDERS

Evidence from a wide range of countries and the international literature of the recent years combine to place a strong emphasis on the importance of institutional leadership in schools, colleges, higher education and a wide range of training centres. The development of effective school leadership is also emphasised in recent literature, and this poses challenges for school leadership linked to the increasing autonomy of educational institutions¹³.

This implies, for example, the important role that school leaders play in establishing good working and learning patterns, promoting effective teaching through a well implemented curriculum and assessment system, and creating a sound ethos for learning. These achievements are supported by a clear and consistent approach to management, well formulated and implemented policies, and due respect for the needs and views of all members of the learning community.

However, successful institutional leadership extends further than this, not least in vocational institutions. School leaders take additional responsibility for making the most appropriate and rational management and administrative decisions. This covers issues such as the allocation of funding and, sometimes, initiating activities that increase income, while also developing good relationships with local firms, deciding how best to meet learners' needs through the application of the curriculum, and dealing with questions related to the employment, development and management of staff. Leadership, thus, is not confined to supporting innovation in VET curricula.

On the one hand, in this study the role of school leaders has been described by participants from most of the six countries as being simply to implement instructions. On the other hand, in a few cases it is clear that school leaders are being assigned or are assuming a more active role in management and decision making. In Croatia, for instance, the links between VET providers and the world of work tend to be weak, while many employers are reluctant to organise training. A sectoral approach is envisaged to help tackle challenges in both formal and adult education. Currently, however, school admissions policies do not contribute to reducing skills imbalances in the labour market, and the low average educational level of economically inactive groups hinders their entry into the work force.

Furthermore, the Kazakhstan questionnaire reported that companies are losing their confidence in educational institutions. In Azerbaijan, a partially obsolete network of schools is still in place. In Serbia, it seems that vocational schools programmes and labour market needs are not well connected.

Consequently, institutional development is at risk if VET leadership is not fully effective. Schools and training providers need to be properly engaged in decision making. If they do not play the role users expect, trust in educational institutions is jeopardised. Effective involvement of VET providers and schools within a national strategy is key; the lowest levels can contribute to decision making in skills development based on knowledge of real regional and/or local labour market needs. The capacity building of key actors is a crucial issue (see **BOX 3.3**).

¹² This information on the Kyrgyz experience was debated in the framework of the ETF corporate conference.

¹³ See, for instance, Schleicher (2012).

BOX 3.3 KEY ROLES AND RESPONSIBILITIES OF VET PROVIDERS IN MULTILEVEL GOVERNANCE

The profile of education and training providers is changing, along with changes in the environment and the evolving needs of society and the economy. The territorial dimension is increasingly important, as the demand for training delivery is very much linked to local needs.

Multilevel governance is a matter of decision making at the level of the most interested parties. This can only be done through structured and coordinated dialogue, consultation and concerted actions. A key task is to build networks of actors who share information, expertise and ideas for innovative projects, creating opportunities for public-private partnerships with common objectives and a comprehensive approach.

Thus, cooperation between vocational schools and training centres at the local level is a critical factor for success, as it creates an environment in which education and training providers can perform efficiently. Furthermore, it is important for education and training providers to band together in order for their voices to be heard in policy debates. In this respect, the need to develop expertise could be stronger than developing political advice. However, it takes time to build a position of trust, and flexibility is needed to adapt to financial opportunities and constraints, particularly in times of funding shortages.

A good balance needs to be struck between facilitating local actors and the controlling role of the state. The general tendency of shifting more responsibilities to regional and local authorities, and in particular to schools is a positive step. However, it is very important that a closer discussion is held with stakeholders in each country to determine the best mix of retaining central control and delegating financial, personnel and content responsibilities.

Building the capacity of actors, in particular vocational school managers, to allow them to adapt to changing environments and requirements is essential. The ETF can support the development of such capacities. The ETF can also help in making this dialogue more structured.

Source: ETF, 2012c; adapted from Workshop 3 outcomes – ETF multilevel governance conference conclusions

However, it would be unwise to conclude that the maximum devolution of responsibility to school leaders is always the best solution, and certainly not in most circumstances. Nevertheless, it seems clear that management at the most local level can be improved by a shift in the form of governance to give more responsibility to school leaders for decisions that are best taken locally. This implies:

- making a clear functional analysis of which aspects of management are best devolved to school leaders, and which aspects are best retained at a more central level;
- identifying the profile of knowledge, skills and competences that school leaders need to be effective;
- setting up programmes of training and capacity building for new and current vocational school leaders;
- establishing support mechanisms, such as links with government or regional officials, appropriate policies and peer networks, and IT support.

3.4 SOCIAL DIALOGUE AND EFFECTIVE PARTNERSHIP IN VET

In recent years, efforts in partner countries, as well as much of the focus of this report and a substantial amount of the supporting work by the ETF and other international agencies, has been geared to supporting social dialogue in education and training and to building more effective partnerships between the stakeholders engaged in both VET and CVT. This can be seen in efforts to enhance communication and effectiveness by engaging with employers, social partners and civil society. However, some conditions are needed to set up effective partnerships in VET (see **BOX 3.4**).

Establishing bodies such as technical and vocational education and training (TVET) councils and building relationships with sector councils, as well as developing tools such as national qualifications frameworks and participating in the development of occupational standards and quality assurance mechanisms, are further evidence of this basic trend.

While this movement is under way in many countries, the work is often far from being complete or running smoothly, and in some cases has hardly begun or is faltering. In this pilot study the benchmark 'the range of stakeholders is engaged collaboratively throughout the policy cycle' received a rather low rating.

BOX 3.4 CONDITIONS AND REQUIREMENTS FOR PARTNERSHIPS IN VET

The first condition that can support the development of partnerships in VET is the motivation and interest of both the government and other public authorities to enhance partnerships. The establishment of working structures like economic and social councils, sector or VET councils is needed, but more important is the work that will be done through these bodies. Sector councils or VET councils are tools or means to achieving better outcomes through VET, not an end in themselves.

For instance, in Turkey cooperation between government and social partners is needed to enable formal and informal education to provide qualified staff for different sectors of the economy. Recently, Turkey has experienced an increase in the popularity of VET, and the proportion of vocational and technical schools has risen over the past 20 years. A balance has had to be achieved between public authorities and social partners: employees and employers and related chambers are extensively represented in provincial employment and vocational education committees.

The newly established Palestinian Economic and Social Council has 20 members divided between the government, employers, trade unions and civil society. Each group has an equal representation and the committee is chaired by the Ministry of Labour. Local employment and training councils which have a wide representation from local authorities, training providers, industry and non-governmental organisations, have been established and these bodies appear to be functioning relatively well. Initiatives to create partnerships have also come from social partners, supported partly by the International Labour Organisation, as well as by the government.

Some other key issues to take into consideration are listed below.

- The government needs to have a vision and present an initiative to which social partners can respond.
- Employers should be given a stronger role in all VET partnerships.
- Trade unions often seem to think that tackling skills or continuing training needs should be an employer-led process in which they contribute in only minor ways.
- Partnership demands empowerment of both social dialogue and organisations that participate in dialogue.

Source: ETF, 2012c; adapted from Workshop 4 outcomes – ETF multilevel governance conference conclusions

The ETF is currently working closely with partner countries to identify ways of supporting social dialogue and effective partnerships in VET within a lifelong learning perspective. To this end, collective agreements between governments, employers' organisations and trade unions are an important way of cooperation boosting skills provision. This should be further explored by socioeconomic actors in all ETF partner countries.

3.5 EVIDENCE-BASED POLICY DEVELOPMENT IN VET AND GOOD MULTILEVEL GOVERNANCE

Rapid changes in the societies, economies and labour markets of ETF partner countries (as elsewhere) are creating the need for a permanent monitoring of skills demand and supply, and a forward-looking capacity concerning future developments to inform policy decisions.

Further, the current attempts to modernise the VET systems of the ETF partner countries, either through pilots, experimentation or larger-scale interventions, require the efficient dissemination of results, including strengths and weaknesses, in order to inform the policy cycle and influence future action as necessary.

However, as demonstrated by the results of this ETF survey, the effective use of information for policy development, monitoring and evaluation is still a great challenge in the majority of partner countries. In summary, common gaps have been identified in:

- monitoring and evaluations systems;
- mechanisms to assess and assure quality;
- evaluations to support the delivery and review of VET policies;
- statistical systems adapted to monitor the labour market and/or undertake skills needs analysis;
- research functions to support the development of VET policies.

Although the information base on trends in the field of employment and VET is becoming ever richer, the analysis of this information and its use by relevant decision makers is still in its early stages. Communication channels between those who have this information (e.g. statistical offices or employers) and those who could use it for making decisions in VET are still weak. Further, a *culture of policy review* is still lacking.

Indeed, partner countries need to make a greater effort to enhance the information base underpinning the prediction of trends and future skills requirements, as well as developing mechanisms through which this information can be communicated to the relevant decision makers and thus transformed into action. All these issues are currently a matter of concern for the ETF in terms of giving more tailored support to its partner countries¹⁴.

As a result of these concerns, the evaluation and monitoring of VET systems and the role of evidence-based policy in VET reforms in ETF partner countries has been recently analysed by the ETF (ETF, 2012a). In addition, the ETF is exploring the use of foresight methods by VET stakeholders in partner countries. These tools and methods could undoubtedly support the creation of prospective holistic and shared visions to strengthen good multilevel governance for VET policies and systems¹⁵.

14 In November 2011 the ETF organised the Torinet workshop 'Governance of evidence for innovative VET systems'. Presentations and outcomes are available at: www.etf.europa.eu/web.nsf/pages/EV_2011_Torinet:_Governance_of_Evidence_for_innovative_VET_systems?opendocument

15 The results of a round table organised by the ETF on foresight methods can be found at: www.etf.europa.eu/web.nsf/pages/EV_2012_Round_table_on_Foresight?opendocument

4. CONCLUSIONS

The evidence gathered by this pilot study and complemented by the ETF corporate conference outcomes, confirms that governance in VET is a complex and constantly evolving issue, and that the ETF is aware of this. Moreover, governance models are very closely linked to values, visions, behaviours and processes that are endemic to countries' cultures and emerging political and socioeconomic challenges.

The ETF working hypothesis proposed in the pilot study has been confirmed: 'good multilevel governance should play a key role in the achievement of the economic and social functions of VET and CVT, and can support shifts to more innovative approaches to both learning and managing economic and social change'.

Good multilevel governance can enhance the role of VET as it contributes to the achievement of national development goals through cooperative and coordinated actions carried out at sub-national level and bringing on board non-stakeholder actors. In concrete terms, this calls for a strong focus on social partnership approaches in VET. Multilevel approaches in VET management can be achieved through identifying the appropriate range of roles and functions to be performed by diverse key actors and institutions linked to crucial VET policy areas.

Furthermore, good multilevel governance should also support systems and reforms in VET to better adapt to the current needs of the economy and labour markets; to expand democratic values in society; and to attract employers, learners, families and communities. This means that good multilevel governance in VET has an indisputable value in working towards raising the profile and popularity of VET, which is a crucial challenge for many ETF partner countries.

ETF work in the area of good multilevel governance in VET in partner countries is thus expected to be a medium to long-term process that will evolve in practice and whose exact modus operandi should not be set in stone. In other words, the ETF position is based on the development of operational approaches in the field of models and modes of VET governance that are fit for purpose and support performance in policy making in ways that are appropriate to the context of particular partner countries.

Different countries are at different stages of development, and so there is an on-going need to advocate for multilevel governance. Openness to learn about new initiatives and working methods to support coordination of different actors within education and training policy cycle is part of the transparency of policy-making processes and contributes to the creation of mutual trust. Accountability and capacity building should also be key components in the implementation of good multilevel governance for VET.

This requires developing and sharing a clear vision, setting up appropriate institutional and functional reforms, and establishing capacity building and training programmes for different stakeholders at different levels on a variety of policy issues. These initiatives also need the appropriate supporting technologies and networks. A roadmap for moving the policy consultation on governance forward is given in Annex 2.

In the light of these considerations, it is important to underline once again that achieving tangible results in adapting VET governance models to good multilevel settings, and thus improving the delivery of VET policies, will take time. However, it is vital that the ETF supports countries' reflections and actions by facilitating dialogue at national and cross-country levels in order to address a number of issues.

1. There is a need for stronger coordinated action among stakeholders. Putting in place the right coordination mechanisms to support effective vertical and horizontal cooperation is essential.
2. Focus has to be placed on both horizontal and vertical cooperation.
3. A shift is required from consultative involvement to active participation of stakeholders at all stages of the policy cycle.
4. This calls for clear policy thinking on the role of the state – both in terms of facilitation and control.
5. Identification and analysis of functions, roles and responsibilities is needed when government powers are shared.
6. Implementation of good multilevel governance in VET demands capacity building and accountability.
7. Support for a systemic approach to CVT policies is necessary in many partner countries.
8. The extent of vocational schools' autonomy and the empowerment of school directors are important elements to ensure greater success.

The ETF policy-learning approach, based on country ownership, participation, a holistic view and evidence gathering, should start by introducing a better understanding of what good multilevel governance means in each particular country context. Furthermore, this approach should be followed by fostering the development of human and institutional capacities for improving the governance skills of different actors. Activities will be supported by awareness raising and action research in the partner countries involved. A system can only be modified successfully from within, rather than having change imposed from outside. Country actions are also accompanied by activities promoting cross-country dialogue and learning from others' experience.

Specifically, ETF action focuses on:

- *raising awareness* about the benefits, meaning, principles and modalities of good multilevel governance for VET;
- *VET functional analysis and assessment* to help partner countries identify the strengths and weaknesses of their governance and produce scenarios for prospective developments;
- *knowledge creation and sharing* on specific functions, policy areas and actors in VET such as qualifications, quality assurance, training providers' management and financing;
- *creating opportunities for shared multi-stakeholder platforms* in the development and use of intelligence for better policy making through the Torinet initiative;
- *building the capacity of actors* in VET governance with particular emphasis on social partners, regional stakeholders, civil society and training providers.

ANNEXES

ANNEX 1. SUCCESSES AND GAPS IN HORIZONTAL AND VERTICAL PARTNERSHIPS IN SELECTED PARTNER COUNTRIES

HORIZONTAL COORDINATION

Azerbaijan

Although VET management is traditionally centralised in Azerbaijan, wider stakeholder participation at national level has been signalled recently through a tripartite agreement with the national employers' association and trade union federation. Currently there are no permanent bodies for social partner involvement, apart from the Council for National VET Strategy, which meets annually to monitor the implementation of the National VET Strategy (2007-12). This council also includes other relevant ministries and the association of VET providers. Although enabling projects are under way, there is no permanent VET council. In general, the official social partner organisations exercise limited influence in VET, although there is a policy to structurally include them for consultation purposes. However, their capacities and networks are relatively weak.

Croatia

In 2001 the financing of VET providers was partly decentralised. The intention of decentralising financing was to increase the education planning and management responsibilities of local government and strengthen the providers' ties with their social and economic environment. The state budget provided funding for salaries and training for teachers and other employees, meeting special needs and offering capital investment. Via local tax revenues, local and regional government provided funds for the maintenance of VET providers' premises and equipment and an element of capital investment. To date, vertical and horizontal arrangements for effectively connecting the different strands of VET provision are not in place, with the result that systems are rather ambiguous and fragmented in practice.

Some VET providers, in particular those offering services or craft products have developed a considerable entrepreneurial spirit and are able to substantially top up available public resources with their own income. However, resources are scarce and local government has limited financial capacity, so VET providers and the local authorities remain largely financially dependent on central government. With respect to continuing vocational education and training (CVET), companies in Croatia are reluctant to invest in training, with the exception of larger businesses.

Reform and development of a modern VET system in Croatia is based on the VET System Development Strategy of 2008-13, and the VET Act. Founded in 2005 under the umbrella of the Ministry of Science, Education and Sports, the Agency for VET and Adult Education (AVETAE) is responsible for implementing a cohesive national strategy for VET. To this effect, VET sector councils are being established in Croatia under the coordination of AVETAE.

The councils are composed of 20 members – stakeholders that have both an expert and an advisory role in identifying and presenting needs in the labour market, higher education sector and society. Members are appointed for a period of five years with an option of reappointment. Council members are experts, nominated by their respective ministries, with the approval of employers, from the ranks of employers, chambers, syndicates, professional associations, national unions of persons with disabilities, universities, vocational education institutions and other stakeholders¹⁶.

Serbia

The process of VET curriculum and qualifications reform in Serbia has been in progress now from some years ago. This process, led by the Ministry of Education, incorporates a multitude of active stakeholders, including industry representatives and providers. The Serbian Council for VET and Adult Education was established by the government in May 2010 and was intended to be inclusive of all stakeholders.

The key functions of the council include the development of a VET and adult education system which would link the worlds of work and education, contribute to the development of qualifications, enhance learning pathways and reinforce the horizontal dimension of the overall multilevel governance process of both VET and adult education systems.

VERTICAL COORDINATION

Azerbaijan

The local government bodies (*raions*) in Azerbaijan systematically validate the inventory of local labour market skills demand, an assessment that is carried out by VET providers prior to the information being submitted to the Ministry of Education – the key policy and decision maker. It can be concluded that the on-going VET reform process in Azerbaijan is a dynamic one. Wider stakeholder participation at national level has been recently formalised with the signing of a tripartite agreement between the Ministry of Education, the national employers' association, and the federation of the trade unions. As yet, no permanent bodies for social partner involvement have been established, but it is expected that employers will have a growing role in VET governance at the *raion* and local levels. This includes a role in assessment regulations and procedures.

Kazakhstan

VET systems and management are centralised under the control of the Ministry of Education and Science. The main mode of governance can be identified as regulation through legislation and compliance with national standards. A system of national, regional and sectoral councils was established in 2011 and is being piloted in East Kazakhstan, where the Regional Technical and VET Development Council is involved in a human resources development policy process. The establishment of regional VET councils indicates that the role of multilevel governance in promoting good VET governance is being recognised in Kazakhstan.

Tunisia

The responsibility for VET in Tunisia rests with the Ministry of Training and Employment. Other ministries, particularly Agriculture, Health, Defence and Tourism are responsible for training in their respective sectors. The Ministry of Training and Employment has the role of developing and defining policies for initial and continuing VET, while a number of agencies under its umbrella are responsible for their implementation. The Tunisian deconcentrated model requires that all the training centres report directly to the ministry, the main decision-making body, with some decisions being delegated to the sub-national level. Additional steps are being taken in Tunisia to enhance vertical coordination through the planned establishment of regional observatories. Although promising developments in horizontal and vertical partnerships are taking place in Tunisia, the system remains centralised.

Ukraine

The development of policies for matching VET with employment and social demands in Ukraine is based on a centralised approach, led by the Ministry of Education. Roles are clearly defined and seasoned actors and partnership organisations provide the government with expert advice. However, for the Ukrainian legislative framework relating to VET to be successfully implemented, mechanisms need to be established for effectively involving regional authorities and social partners.

In the light of this evidence, it is possible to say that some positive developments are taking place in each partner country in terms of establishing coordination processes aimed at developing good multilevel governance in VET policies. Nevertheless, major gaps, for instance in deploying roles within the framework of the different cooperation structures or implementing pieces of legislation affecting the actors' functions, might still be hampering good multilevel governance, irrespective of whether the preference is for an appropriate version of delegation, deconcentration and/or decentralisation.

It can be concluded that partner countries are well advised to find their own direction and pace for VET governance reform, incorporating lessons learned and knowledge gained through international cooperation. There is evidence for consensus and willingness to cooperate among different stakeholders in order to boost reforms and strategies, based on greater engagement of different actors in the policy cycle, and increased interest in using coordination mechanisms.

ANNEX 2. A ROADMAP

FROM CENTRALISED DECISION MAKING TOWARDS MULTI-PARTICIPATORY DECISION MAKING

Firstly, the pilot study findings confirm that ETF partner countries have centralised decision-making settings in VET policies and systems (e.g. funding, curricula and school management). However, some countries are moving gradually towards more decentralised settings involving regional levels, although little solid evidence for this was found in the pilot study.

Both data analysis from the ETF study and the corporate conference debates revealed that partner countries acknowledged the need for more openness and the increased involvement of different actors in the VET policy-making process. But, so far, engagement of stakeholders is concentrated more in the consultative processes at the policy design phase than in the later implementation and/or evaluation of policies.

In this context, it is anticipated that policy learning to explore and discuss the basis and implications of delegation, deconcentration and/or decentralisation processes in greater depth will be needed. This will be useful within the framework of the identification of effective mechanisms to engage multiple actors in VET/CVT policies and systems, and a key aspect of this discussion is open dialogue with partner countries on ETF good multilevel governance principles, as presented in this paper.

BOOSTING PARTICIPATION OF REGIONAL ACTORS

Further, building up vertical relations calls for more proactive strategies and approaches on the part of regional authorities in relation to central governments. There is also a compelling need to explore ways of creating more effective engagement in the horizontal dimension to manage VET policies and systems. When government decides to share responsibility for VET it should also clarify the roles and responsibilities of the different actors involved, including those at the regional and/or local levels. Shared responsibilities should also be supported by the appropriate resources and funding.

There can be a competition of powers between the central and regional authorities even if the regional and local dimensions become increasingly important due to the imperative of training delivery fitting with local needs. As VET is a tool for economic, social and human capital development, lower levels of public authorities should be able to utilise it to match the needs of the regional authorities. This approach might also contribute to raising the social and economic functions of VET.

All these factors highlight that finding the right level of decision making is a key issue in multilevel governance identification. This means, in practice, how to apply the subsidiarity principle in the VET policy-making process. In this regard, a good balance needs to be found between facilitating conditions for the participation of both state and non-state actors and controlling the role of the state. However, decentralisation or the political will to move towards redistributing the role of central government to the most appropriate level remain vitally important for effective decision making.

STRUCTURES FOR COOPERATION AMONG ACTORS AND COORDINATION MECHANISMS ARE NEEDED

VET governance can be supported or carried out by various bodies, for instance national or sectoral councils, but these should be viewed as coordination mechanisms to support effective implementation of the policies. Indeed, more important than structures is the efficiency and effectiveness demonstrated by these cooperation structures to make VET more relevant and attractive for learners and more responsive to current labour market needs. These structured cooperation bodies need funding, technical support and expertise to be sustainable. Their tasks and responsibilities should be recognised through legislation.

Hence, further exploration of methods and improving their capacities for horizontal and vertical cooperation in education and training policies is a crucial challenge for most of the ETF partner countries. This is because in many partner countries there is often a lack of coordination or less systematic approaches for enhancing both vertical and horizontal cooperation and including economic sector actors in a more functional way.

This confirms the pilot study findings in terms of the need to address policy learning on coordination mechanisms in different contexts. This is an important activity for the ETF to develop further with partner countries in order to

support more effective VET policies. Furthermore, such activity has an added value in facilitating countries' adoption of good multilevel governance-management models for VET which can contribute to delivering sound reform processes.

EFFICIENCY AND EFFECTIVENESS ARE REQUIRED IN IMPLEMENTING COOPERATION

Nevertheless, some of these mechanisms were reported in the pilot as being inefficient, ineffective and/or still a work in progress. Consequently, the issue of further clarification of roles and functions to support good multilevel governance in VET policies and systems arises as a major issue to be further discussed between the ETF and partner countries. Weakness in this area is critically hampering actors' performance in the decision-making process in the six selected countries, and the challenge for the ETF is to set up targeted dialogue process with partner countries to identify more tailored support for VET good multilevel governance.

In addition, ETF experience recommends exploring other policy mechanisms and tools for addressing good multilevel governance which can support the efficient management of VET/CVT policies and systems in partner countries. For instance:

- setting up sub-national cells/units offices;
- territorial impact assessments;
- social dialogue and collective bargaining outcomes (agreements) in VET/CVT;
- networks of innovation;
- public-private partnerships in education and training;
- training funds and other financing training mechanisms;
- skills/training programme contracts;
- delivering occupational standards;
- regional employment/employability pacts;
- greater use of recommendations, opinions, and statements to influence legislation delivery and/or to support policy implementation at different levels (*soft* regulation mechanisms).

MAPPING FUNCTIONS AND ROLES FOR EFFECTIVE MANAGEMENT OF KEY POLICY AREAS IN VET

Working on specific policy areas such as Qualifications Frameworks and Curricula, Quality Assurance, financing policies and funding mechanisms, and/or the anticipation of skill needed in the labour market, should provide the right context to promote increased cooperation of actors and effective coordination mechanisms to work towards multilevel governance for VET. However, a study of cross-cutting findings in the six ETF partner countries shows that implementing effective cooperation in specific policy areas in VET requires building up strong synergies as well as a clear distribution of functions and roles among key stakeholders across critical phases in the policy cycle.

Indeed, in some of the selected countries, national qualifications frameworks are playing a very important role in making VET governance more multi-participatory, relevant (e.g. boosting quality policies) and fit for purpose in terms of realising lifelong learning and promoting access to and progress in education and training pathways.

SUPPORTING ACTORS' PROFESSIONALISATION

All this confirms the need for the professionalisation of the relevant partners. This should be based on capacity building and providing support to carry through multilevel governance in VET. Who VET leaders are and what capacities should be required of them in the context of good multilevel governance is an issue to be discussed further by the ETF and its partner countries.

ETF WORK WITH SOCIAL PARTNERS MUST GO ON

Focusing on challenges to be faced by social partner organisations in EU pre-accession and neighbouring regions, it is clear that partner countries need to continue taking urgent action because effective VET partnerships must be based on social dialogue and the empowerment of organisations that participate in dialogue and/or negotiations. The willingness of governments to share power can actually increase their capacity to impose policies and practices.

The challenge for many partner countries is to identify the most appropriate role for social partners and the best way of ensuring their effective involvement. This issue greatly influences the country governance model chosen by involved authorities and actors. In this respect, it is important that social partners understand what their role and function is at different levels of governance.

Simultaneously, organisational fragmentation or unstructured working methods among social partners and other stakeholders can mean that their messages become lost. Shortcomings in stakeholders' capacities can occur at national or regional/local levels. Often, the capacity of various organisations varies from one economic sector to another. Cooperation demands the involvement of different levels of government and stakeholders, but also practical cooperation with individual enterprises and businesses. Collecting partner countries' experience together with other international examples of skills development in sectors and companies will help in targeting discussions and planning further policy learning on these issues.

Employers should have stronger role in all VET partnerships (paying particular attention to the school level), and there should also be a greater focus on encouraging trade union representatives to become more engaged in VET issues. In this regard, strengthening ETF stakeholder networks and capacities at all these levels in partner countries is crucial.

Furthermore, to enhance the involvement of the social partners and other stakeholders the government needs to create a vision or instigate an initiative to which stakeholders can respond. This does not mean that initiatives should only come from governments, but in highly centralised political contexts it can take time for this mind-set to change.

EMPOWERING VET PROVIDERS FOR GOOD MULTILEVEL GOVERNANCE

At the VET provider level, there seems to be a tendency to shift more responsibility to vocational schools – in practice giving them more autonomy. In this context, the empowerment of school managers and school boards is a crucial activity for enhancing partnership at local levels. In many cases this includes having the flexibility to adapt curricula to the needs of the local or regional economy. If VET is considered to be a collective issue it demands collective actions and partnership. Local businesses, social partners and/or communities can participate in the management of schools.

VET POLICY IMPLEMENTATION AND REVIEW: MORE ACCOUNTABILITY IS NEEDED

The pilot study also confirms weak policy implementation and lack of policy review mechanisms operating in partner countries. This problem may be exacerbated by the inadequate involvement of actors (due to roles and functions not being clearly defined), as well as a lack of funding and/or limited human resources in key institutions in many countries.

In any case there is a need for more systematic strategic planning based on relevant information systems to support decision making. This issue brings to the fore the important role to be played by the ETF in delivering tailored approaches and tools to support evidence-based policy making in partner countries (e.g. the use of foresight methods, evaluation policies and indicators systems).

METHODOLOGICAL TOOLS CAN SUPPORT GOOD MULTILEVEL GOVERNANCE

Last but not least, the further use of methodological tools produced in the study should be discussed between the ETF and the partner countries. The questionnaire used to collect information in the pilot demonstrated feasibility and accuracy, although some items might be reconsidered. The six ETF principles and 23 indicators in VET good multilevel governance have been well acknowledged by respondents in the pilot and by the corporate conference participants.

Further discussion on this tool might address specific elements' fit with national, sectoral, regional or local challenges in each partner country. Coordination of networks at the national level to monitor implementation of this tool will also be relevant.

In addition, ETF good multilevel governance principles and benchmarks in VET should contribute to open dialogue with transnational and/or international organisations to build joint actions strengthening VET governance and expanding partnerships (see UNESCO, 2012a).

ANNEX 3. QUESTIONNAIRE: GOVERNANCE IN SELECTED PARTNER COUNTRIES

This writing frame provides a tool to describe and analyse governance issues in partner countries. Specifically, it will be used for collecting information to assess governance settings, roles and functions in six ETF partner countries. The description and analysis produced will contribute to the framing of the short paper for the corporate conference 'Multilevel governance in education and training: challenges and opportunities', to be held in Brussels on 31 May-1 June 2012. The ETF Community of Practice on Governance Partnerships and Regional Development has prepared this writing frame in collaboration with Tom Leney (ETF consultant) and in consultation with the selected country managers.

VET governance is widely recognised as an important aspect that contributes to – and may also inhibit – VET systems and reforms. The Torino Process places emphasis on the importance of good governance and on the development of multilevel governance. Thus, one of the priorities in the Torino Process that the partner countries have agreed on is to 'reinforce anticipatory, inclusive and good multilevel governance through education and business cooperation and enhanced social dialogue'.

Country managers will be partnered with members of the Community of Practice to work up preliminary country profiles. The work is expected to be carried out by 15 March 2012 mainly using secondary sources (available documents, data, ETF projects, Torino Process outcomes, other international organisation sources etc.) with some support from in-country experts when necessary. The tasks that are set out in the writing frame ask you to use a combination of descriptions, tables, a matrix and analysis.

Throughout, the drafting team is asked to consider governance in all important aspects. The analysis will be concerned with governance through all stages of the VET policy cycle (agenda setting, policy formation, policy implementation and review). This is intended to include initial and continuing vocational training, the public, private and third-sector provision, and VET provision in the informal economy as well as the formal. VET is also carried out through formal, informal and non-formal processes of learning.

For the purpose of this assignment, the ETF has adopted the following broad definition of vocational education and training (VET): 'Education and training which aims to equip people with knowledge, know-how, skills and/or competences required in particular occupations or more broadly on the labour market' (Cedefop, 2011a). However, selected countries might decide to understand VET as it is defined in their national policy frameworks.

In summary, the analysis should include:

- national, intermediate regional and local levels (which might be provincial and municipal, counties etc.) and provider levels, as well as sectoral/industrial aspects;
- all stages of the policy cycle: agenda setting, planning, implementation and review;
- CVET/continuing education and training, along with IVET;
- private and third-sector as well as public sector governance processes;
- governance as it relates to a number of important VET policies (systems and reforms);
- informal and non-formal learning as well as governance of formal qualifications and systems;
- the governance of TVET in the informal sectors of the economy/labour market, if this is significant.

For the task in hand, it will be important to enumerate the stakeholders in the specific country context. An annex contains a glossary for your information. The writing frame begins with descriptive aspects of the governance system and reforms, then moves on to more analytical questions. To provide you with some guidance at the outset, the table below sets out in a generalised way some of the main components that you are being asked to consider; you will need to amend this table to describe better the actual country situation.

MAIN COMPONENTS TO BE CONSIDERED

Levels	<ul style="list-style-type: none"> ■ National ■ Sector/industry ■ Intermediate (for example regional/local or provincial/municipal or counties) ■ VET providers (IVET/CVET)
Stakeholders	<ol style="list-style-type: none"> 1. Strategic decision makers 2. Officials <ol style="list-style-type: none"> a. at different levels of management responsibility b. in different ministries c. in regional/local government 3. Social partners <ol style="list-style-type: none"> a. employers and companies, their representative organisations and chambers b. employee representative organisations and unions 4. Teachers and trainers <ol style="list-style-type: none"> a. representative organisations and unions b. leaders of different kinds of VET provider institutions 5. Non-state or third-sector organisations 6. Civil society including community and religious organisations 7. Stakeholders in the informal economy 8. Other stakeholders
Stakeholder roles and responsibilities	<ul style="list-style-type: none"> I – Initiator D – Decision maker or co-decision maker C – Consultative role/consultee A – Acts on instructions/implements decisions E – Evaluator F – Funder or co-funder P – Partner, a generic term but may be useful
Policy areas identified as priorities	<ol style="list-style-type: none"> 1. Planning: policies for matching VET/employment and social functions 2. Qualifications and curricula: including assessment and certification 3. Teachers and trainers 4. Management of VET providers, including budgets, human resources, programmes and equipment 5. All work-based learning: policies and provision 6. Quality assurance and monitoring 7. Finance

GUIDELINES FOR A SHORT GOVERNANCE ANALYSIS**Identifying levels and stakeholders**

1. Please identify the levels in VET governance that are found in the country and list the main types of stakeholders. It will be helpful if you also give examples to clarify who the main stakeholders are.

Mapping the current VET governance system

2. Please amend the matrix below so that the levels fit the existing system more accurately. Then, for each named policy area and level, please specify the stakeholders that are engaged and indicate the role/responsibility that each one has.

The following short description of roles can be used.

- Initiator **I**
- Decision maker or co-decision maker **D**
- Consultative role/consultee **C**
- Acts on instructions/implements decisions **A**
- Evaluator **E**
- Funder or co-funder **F**
- (Partner – a generic term, but may be useful) **P**
- Other – please specify

GOVERNANCE MATRIX FOR VET SYSTEMS AND POLICY AREAS				
Policy area	Legal basis yes/no	Governance level (please adapt)		
		National	Intermediate (regional/ local etc.)	Sectoral
Planning: policies for matching VET/ employment and social functions				
Qualifications and curricula, including assessment and certification				
Teachers and trainers				
Management of VET providers, including budgets, human resources, programmes, links and equipment				
Work-based learning: policies and provision				
Quality assurance and monitoring				
Finance				
(You may wish to add another area)				

Governance of selected VET policy areas

3. Please select at least three (not more than five) of the broad policy areas included in the table you have just completed – or particular policies associated with the broad policy areas – and describe in each case how the governance process actually works, including any trends that may be developing.

These may exemplify good practice, interesting developments and also bottlenecks and challenges. In the commentary, please pay attention to the following questions:

- a. Are the governance arrangements regulated (e.g. through legislation) or more informal, and are procedures open and transparent?
- b. Are actors well informed and do they have the capability and resources (funding/human) to carry out their roles effectively?
- c. Are their roles appropriate and their functions clear?
- d. Are the mechanisms to link stakeholders at different levels (national through to VET providers) sufficient? Please be sure to cover the engagement of the intermediate levels and VET providers.
- e. Are the mechanisms to link stakeholders at each level (e.g. public/private, formal/informal, government/social partners) sufficient?
- f. Do current governance arrangements seem to have an effective, or at least a positive, impact on the way the system performs (external and internal efficiency)?
- g. Please make specific reference to the engagement of social partners (employer/employee representatives) in VET governance.
- h. Make specific reference to the engagement of the civil society organisations in VET governance.

Governance at the different stages of the policy cycle

4. Are all stages of the policy cycle (agenda setting, planning, implementation and review) covered sufficiently in the governance arrangements? (Please use examples.)

Specific governance arrangements for CVET

5. How effective are governance arrangements for CVET? (Please use examples.)

Strengths, weaknesses, opportunities and barriers

6. Using these terms, please provide an overview of the governance arrangements and trends for VET in the country.

Strengths	Weaknesses
Opportunities	Barriers

Principles and indicators for VET governance

Following the decisions of the Torino process and the work on multilevel governance being developed by the EU Committee of the Regions, it is possible to work through some principles for multilevel governance. Six provisional principles and 23 indicators are set out below. Here you are asked – in a preliminary way – how you think the country performs against each of indicators.

7. Please provide, in a preliminary way, a view of the performance of the governance system, referring to the following principles and indicators.

Please score each indicator according to your professional assessment of the current overall situation: 1 – very weak performance; 2 – weak performance; 3 – neither good nor bad performance; 4 – good performance; 5 – very good performance.

Principle	Indicators	Scoring
Relevance	■ Governance settings support the economic role of VET, e.g. by anticipating/matching skills needs and linking these to more competence-based curricula.	(1) — (2) — (3) — (4) — (5) —
	■ Governance settings support the social equity role of VET, e.g. by opening up access to learning and accreditation to wider groups, or expanding CVET.	(1) — (2) — (3) — (4) — (5) —
	■ Governance settings support the innovative role of VET, e.g. by introducing sustainability skills or entrepreneurial skills and/or key competences.	(1) — (2) — (3) — (4) — (5) —
	■ Governance settings mobilise smart, efficient financing and funding mechanisms at all levels of the VET system.	(1) — (2) — (3) — (4) — (5) —
	■ Governance settings respond to learner and labour market needs, e.g. by introducing more flexibility, linking formal/informal sectors, developing more outcomes-based approaches.	(1) — (2) — (3) — (4) — (5) —
	■ Governance settings support the professional standards and professional development of VET teachers and trainers across settings.	(1) — (2) — (3) — (4) — (5) —
Effectiveness	■ Feedback shows that current governance systems support VET provision and the implementation of reforms, particularly at the VET provider level.	(1) — (2) — (3) — (4) — (5) —
	■ Governance supports the achievement of national development goals and a range of broader policies, at national, intermediate and provider levels.	(1) — (2) — (3) — (4) — (5) —
	■ Goals are formulated in response to shared concerns and identified policy gaps, whilst taking into account feasibility of resources for implementation.	(1) — (2) — (3) — (4) — (5) —
	■ Quality assurance mechanisms operate or are developing, and these help to improve quality and apply fit-for-purpose standards.	(1) — (2) — (3) — (4) — (5) —
Subsidiarity and proportionality	■ Decisions are taken at the most appropriate level and/or at the lowest level to optimise VET policy implementation.	(1) — (2) — (3) — (4) — (5) —
	■ Roles and responsibilities of stakeholders do not conflict and do not leave gaps in the policy-making process.	(1) — (2) — (3) — (4) — (5) —
	■ Both hard regulation (laws etc.) and soft regulation (recommendations, opinions etc.) apply to each stage and level in the policy cycle.	(1) — (2) — (3) — (4) — (5) —
Transparency	■ VET policy agenda setting, formulation, implementation and review are open processes that engage the identified stakeholders.	(1) — (2) — (3) — (4) — (5) —
	■ Policy dialogue is coordinated and supported by relevant documentation, reports, guidelines etc.	(1) — (2) — (3) — (4) — (5) —
	■ Management information systems and other data meet the governance needs of the stakeholders.	(1) — (2) — (3) — (4) — (5) —
	■ Formal and informal mechanisms for sharing information operate, so that information is used regularly by VET stakeholders.	(1) — (2) — (3) — (4) — (5) —

Principle	Indicators	Scoring
Accountability	■ Governance practices comply with standards, regulations and procedures and are agreed by different stakeholders.	(1) ---- (2) ---- (3) ---- (4) ---- (5) ----
	■ Governance responsibilities, roles and functions are defined clearly and take into account the outcomes expected by users and stakeholders.	(1) ---- (2) ---- (3) ---- (4) ---- (5) ----
	■ Decision makers assess and respect the contributions and recommendations of the different VET stakeholders.	(1) ---- (2) ---- (3) ---- (4) ---- (5) ----
Participation	■ The appropriate range of stakeholders is engaged collaboratively throughout the VET policy cycle.	(1) ---- (2) ---- (3) ---- (4) ---- (5) ----
	■ Different government agencies (e.g. ministries) and the different levels of government (e.g. national/regional/local) are engaged actively.	(1) ---- (2) ---- (3) ---- (4) ---- (5) ----
	■ Coordinated participation mechanisms (e.g. social dialogue, consultation, advisory bodies) enable stakeholders to participate at key points.	(1) ---- (2) ---- (3) ---- (4) ---- (5) ----

8 Do you consider that these principles/indicators provide a sound support for ETF's work on assessing governance in IVET/CVET?

Further comments and conclusions

9. Please add any conclusions or reflections that you wish to make.

Thank you for your participation!

ANNEX 4. GLOSSARY OF KEY TERMINOLOGY ON GOVERNANCE

This glossary is a supporting document to ETF projects and operational actions in the field of VET governance, social partnerships and regional development. The glossary aims to clarify key terms which might be used in public management of education and training policies and systems. Some of the selected terms have more than one definition¹⁷.

- Access to education and training** Conditions, circumstances or requirements (qualification, education level, competences or work experience etc.) governing admission to and participation in educational institutions or programmes.
Source: Cedefop, 2011a
- Accountability** Obligation to demonstrate that work has been conducted in compliance with agreed rules and standards or to report fairly and accurately on performance results vis-à-vis mandated roles and/or plans. This may require a careful, even legally defensible, demonstration that the work is consistent with the contract terms.
Note: Accountability in development may refer to the obligations of partners to act according to clearly defined responsibilities, roles and performance expectations, often with respect to the prudent use of resources. For evaluators, it connotes the responsibility to provide accurate, fair and credible monitoring reports and performance assessments. For public sector managers and policy makers, accountability is to taxpayers/citizens.
Source: OECD, 2002
The requirement that officials answer to stakeholders on the disposal of their powers and duties, act on criticisms or requirements made of them and accept (some) responsibility for failure, incompetence or deceit. Mechanisms for holding officials accountable can be inter-organisational, as between branches of government; intra-organisational, as between supervisors and subordinates; and extra-organisational, as when an organisation and its functionaries answer directly to customers or stakeholders. Accountability mechanisms can address the issues of both who holds office and the nature of decisions by those in office. Accountability requires freedom of information, stakeholders who are able to organise and the rule of law.
Source: UNDP, Glossary of key terms
- Administrative reforms** Public administration reforms generally refer to the modernisation of government bureaucracy to achieve a better regulation, positively influencing citizen's day-by-day life and businesses. They mainly affect: the way public administrations are structured and respective tasks allocated; the relations among different bodies and the terms and conditions of employment for public servants and public managers (administrative); or the way public bodies operate, procedures and principles followed to take decisions, and the way public interests are served and represented (administrative and regulatory procedures).
Source: DPADM in collaboration with CEPA
- Anticipatory governance** Good governance principle which refers to participation capacities in education and training/VET policies based on development of networking approaches, gauging performance and improvement of stakeholders' management and institutional knowledge competences in order to support policy making within policy cycle. Such actions should facilitate the creation of holistic visions aimed at foreseeing scenarios, as well as anticipating management of change in education and training/VET policies in the worldwide political, social, cultural and economic context.
Source: Galvin Arribas/ETF, 2011
- Benchmark** Reference point or standard against which performance or achievements can be assessed. Note: A benchmark refers to the performance that has been achieved in the recent past by other comparable organisations, or what can be reasonably inferred to have been achieved in the circumstances.
Source: OECD, 2002

¹⁷ Sources of key terms are included for each definition. Related terms linked to the definitions are not included in this annex.

Civil society

Civil society: individuals and groups organised or unorganised, who interact in the social, political and economic domains and who are regulated by formal and informal rules and laws. Civil society offers a dynamic, multi-layered wealth of perspectives and values, seeking expression in the public sphere.

Civil society organisations: the multitude of associations around which society voluntarily organises itself and which can represent a wide range of interests and ties, from ethnicity and religion, through shared professional, developmental and leisure pursuits, to issues such as environmental protection or human rights.

Source: UNDP, *Glossary of key terms*

Collective bargaining

Collective bargaining serves a dual purpose. It provides a means of determining the wages and conditions of work applying to the group of workers covered by the ensuing agreement through free and voluntary negotiations between the two independent parties concerned. It also enables employers and workers to define by agreement the rules governing their relationship. These two aspects of the bargaining process are closely interrelated. Collective bargaining takes place between an employer, a group of employers or one or more employers' organisations on the one hand and one or more workers' organisations on the other. It may take place at many different levels, with one level sometimes complementing the other: a unit within an enterprise, enterprise level, and sectoral, regional and national level.

Source: Arrigo and Casale/LO, 2005

Collective bargaining is the process of negotiation between unions and employers regarding the terms and conditions of employment of employees, and about the rights and responsibilities of trade unions. It is a process of rule-making, leading to joint regulation.

Source: Eurofound

Decentralisation

The process of distribution of the administrative powers, competences or functions of (a central authority) over a less concentrated area (e.g. to decentralise the national government). Secondly, decentralisation refers to the dispersal of (something) from an area of concentration (e.g. to decentralise the nation's industry). Several types of decentralisation should be distinguished:

- *hierarchical/bureaucratic*: deconcentration operations or simply the displacement of central power agents without breaking down hierarchical links;
- *authoritative*: transfer of competences wielded by central power agents to other authorities nominated by the central one;
- *democratic*: transfer of competences wielded by central power agents to other elected authorities;
- *organic*: recognition by a central power of the legal personality, powers and patrimony belonging to a service or a group;
- *administrative*: transfer from central power of administrative powers;
- *political*: transfer from central power that can allow the exercising of governmental functions whilst implying that an autonomous community can adopt legislative norms/laws. This type relates very closely to federalism.

Source: Adapted from the *thesaurus online dictionary*; and Thinès and Lempereur, 1975

Decentralisation is transferring authority from the central level to lower levels of management. Therefore, at first glance, decentralisation refers to the locus where certain education management authorities are exercised. The heart of the transfer of authorities is the distribution of decision-making competencies among the actors of management at different levels.

Source: Radò, 2010

Horizontal decentralisation sometimes refers to a concentration of authorities at a certain level of power by giving preference to a specific level or to a particular actor, such as self-governments or schools.

Source: Radò, 2010

Administrative decentralisation seeks to redistribute authority, responsibility and financial resources for providing public services among different levels of government. It is the transfer of responsibility for the planning, financing and management of certain public functions from the central government and its agencies to field units of government agencies, subordinate units or levels of government, semi-autonomous public authorities or corporations, or area-wide, regional or functional authorities. The three major forms of administrative decentralisation are deconcentration, delegation, and devolution.

Source: DPADM in collaboration with CEPA

- Deconcentration** Deconcentration is considered to be the weakest form of decentralisation. It refers to the transfer of certain administrative authorities to lower levels of administration directly subordinated to a central government agency. The purpose of transferring decision making is simply to bring it closer to the users of the service, that is, deconcentration is aiming to increase the efficiency of central administration.
- Source: Radò, 2010*
- Delegation** Delegation is a more extensive form of decentralisation. Through delegation, central governments transfer decision-making authorities to organisations that are not fully controlled by the centre. Although these organisations may have a great deal of discretion, the statutory basis of decentralisation is, in most cases, rather weak. In the case of delegation, the transfer of decision making is temporary, and the delegated task can be withdrawn quite easily. Therefore, decentralisation by delegation does not create the necessary stability for medium- or long-term planning and allows little room to clearly (re) define the roles of the actors at the lower levels.
- Source: Radò, 2010*
- Democratic governance** Some consider democracy as a set of values and democratic governance as a process of interaction among three sets of actors, from the State, civil society and the private sector, which implies that governance is based on fundamental and universally accepted principles, including: participation, accountability and transparency, rule of law, separation of powers, access, subsidiarity, equality and freedom of the press.
- Source: UN Secretariat paper on terminology, CEPA*
- Deregulation** Process by which central government control is reduced or eliminated – as a distinct form of transferring authority to lower level management. In a deregulation process (withdrawal of regulations) the transfer of authority is made in an indirect way by widening the latitude of actions at lower levels. However, the underlying purpose is not necessarily weakening or eliminating central control: in several cases the justification for deregulation is the assumption that fewer and simpler regulations increase the efficiency of control. Deregulation is an instrument that can be used in connection with any forms of decentralisation or even without any transfer of authorities. On the other hand, devolution of decision-making authorities cannot be achieved without the removal of old regulations or without replacing them with procedural regulations. Also, decentralisation may generate the need for new types of regulations, such as setting quality standards for services that are not managed centrally anymore.
- Source: Radò, 2010*
- Devolution** Devolution is the transfer of authority over specific public functions to sub-national levels or autonomous organisations. The distinctive feature of devolution is its statutory nature. The fact that it occurs on the basis of legislation. Devolution is the most far-reaching form of decentralisation in that the transfer of authority over financial, administrative, or pedagogical matters is permanent and cannot be revoked at the whim of central officials.
- Source: Radò, 2010*
- In most cases, devolution it is not simply the decision-making authority that is deployed to regional or local self-governments or to schools; rather, certain mandatory tasks are devolved [...] entailing certain decision-making obligations.
- Source: Radò, 2010*
- Educational equity** Educational equity refers to an educational environment in which individuals can consider options and make choices based on their abilities and talents, not on the basis of stereotypes, biased expectations, or discrimination. The achievement of educational equity enables males and females of all races and ethnic backgrounds to develop the skills that are needed in order to be productive, empowered citizens. It opens economic and social opportunities regardless of gender, ethnicity, race, or social status.
- Source: OECD, 1997*

- Effectiveness** Effectiveness refers to the degree to which a planned effect is achieved usually without reference to costs. Planned activities are effective if these activities are realised. Similarly, planned results are effective if these results are actually achieved.
- Source: Cedefop, 2005 (adapted from ISO 2000)*
- The capacity to realise organisational or individual objectives. Effectiveness requires competence; sensitivity and responsiveness to specific, concrete, human concerns; and the ability to articulate these concerns, formulate goals to address them and develop and implement strategies to realise these goals.
- Source: UNDP, Glossary of key terms*
- Efficiency** Relationship between results achieved (outputs) and resources used (inputs). Efficiency can be enhanced by achieving more with the same or fewer resources. The efficiency of a process or system can be enhanced by achieving more or getting better results (outputs) with the same or fewer resources (inputs).
- Source: Cedefop, 2011a (adapted from ISO 2000)*
- E-governance** E-governance can be defined as the application of ICT tools (1) in the interaction between government and citizens and businesses; and (2) in internal government operations to simplify and improve democratic governance.
- Source: DPADM in collaboration with CEPA*
- Empowerment** The expansion of people's capacities and choices; the ability to exercise choice based on freedom from hunger, want and deprivation; and the opportunity to participate in, or endorse, decision making that affects their lives.
- Source: UNDP, Glossary of key terms*
- Engaged governance** Engaged governance is an institutional arrangement that links people more directly to the decision-making processes in a manner that does not by-pass the representational democracy but complements it.
- Explanatory note: Engaged governance enables citizens to influence more directly the decision-making process of the State so as to increase their influence on public policies and programmes with a view to ensuring a more positive impact on their social and economic lives. It has become an increasingly significant feature of public governance in the past ten years. Driven initially by new public management techniques (in both the developed and developing countries) and by donor agencies in the developing world, it has become a practical enhancement to representative democracy, a keystone to democratisation and crucial to the rebuilding of post-conflict states.
- Enhanced civic engagement in public affairs has the potential to yield pro-poor benefits, re-arrange political institutions of decision making, deepen democracy, create new citizenship values, and enhance accountability and transparency in public governance and indeed, build trust in government. The report emphasises that it is no longer a question of whether participation works or if it is necessary, rather how it should be done.
- Source: DPADM in collaboration with CEPA*
- Federalism** A system of government in which power is divided between a central authority and constituent political units. Unlike a unitary state, sovereignty is constitutionally split between at least two territorial levels so that units at each level have final authority and can act independently of the others in some area. Citizens thus have political obligations to two authorities. The allocation of authority between the sub-unit and the centre may vary, typically the centre has powers regarding defence and foreign policy, but sub-units may also have international roles. The sub-units may also participate in central decision-making bodies.
- Source: DPADM in collaboration with CEPA*
- Financing education and training** Financing education and training can be defined as a public and/or private investment and/or provision of budget schemes specifically allocated to support the access to and participation in public and/or private education and training programmes, actions, learning activities etc. Such learning or training activities can be financed to be provided on a formal, non-formal and/or informal basis.
- Source: Galvin Arribas/ETF, 2011*

Foresight (governance)

Foresight is the capacity to anticipate alternative futures, based on sensitivity to weak signals, and an ability to visualise their consequences, in the form of multiple possible outcomes. It is a means to visualise, rehearse and then refine in the mind actions that would otherwise have to be tested against reality, where the consequences of error are irrevocable. As a factor in governance, the purpose of foresight is to enhance the ability of decision makers to engage and shape events at a longer range and, therefore, to the best advantage of the citizens they serve.

Source: Fuerth, 2009

Governance

Governance must ensure that public resources and problems are managed effectively, efficiently and in response to critical needs of society. Effective governance relies on public participation, accountability, transparency, effectiveness and coherence.

Source: Cedefop, 2008 (based on EuroVoc)

The exercise of political, economic and administrative authority in the management of country affairs at all levels. Governance is a neutral concept comprising the complex mechanisms, processes, relationships and institutions through which citizens and groups articulate their interests, exercise their rights and obligations and mediate their differences.

Source: UNDP, Glossary of key terms

Governance, as the 'activity of governing', generally refers to the process whereby elements in society wield power and authority, influencing and enacting policies and decisions that affect public life.

Source: EuroVoc

Governance comprises rules, processes and behaviour related to procedural, structural, functional and instrumental aspects of governing.

Source: Benz, 2004

Governance in education and training

Model for VET policy-making management based on involving stakeholders at all levels (sectoral, local/regional, national or international) for objective setting, implementation and monitoring. Governance aims to reinforce interaction between stakeholders and improve accountability, transparency, coherence, efficiency and effectiveness of policy.

Source: Cedefop, 2011a

Engagement and participation of civil society in formulating, implementing and monitoring strategies for educational development.

Source: UNESCO, 2002

Good governance

The EU focuses on five principles that underpin good governance: openness, participation, accountability, effectiveness and coherence. Each principle is important for establishing more democratic governance and more effective delivery of public policies

Source: European Commission, 2001

Good governance can be defined as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.

Source: UNDP, 1997

Good governance in education and training/VET

Refers to transparent and accountable management of education and training policies and systems for the purposes of making education and training/VET a source of attractiveness associated with excellence to improve its image. Good governance in education and training and VET has to facilitate the right implementation of policies in ways that are effective, transparent, accountable, equitable and coherent whilst maintaining mechanisms to take on board at all possible levels public and private relevant stakeholders (such as social partners, civil society, training providers, company owners, regional and local representatives), in the development, financing and implementation of quality assured programmes within the education and training policy framework.

Good governance in VET is composed of six principles: relevance, effectiveness, subsidiarity and proportionality, transparency, accountability, and participation.

Source: Galvin Arribas/ETF, 2011

- Intergovernmentalism** Both a theory of integration and a method of decision making in international organisations, that allows states to cooperate in specific fields while retaining their sovereignty. In contrast to supranational bodies in which authority is formally delegated, in intergovernmental organisations states do not share the power with other actors, and take decisions by unanimity. In the European Union, the Council of Ministers is an example of a purely intergovernmental body while the Commission, the European Parliament, and the European Court of Justice, represent the supranational mode of decision making.
- Source: McLean and McMillan, 2003*
- Joint opinions** Joint opinions are formal expressions of the results of the social dialogue, which do not impose any obligations on the parties. They emerged as one response to complex problems requiring compromise between the parties concerned. Since 1985, sectoral social dialogue committees have been set up in about 40 different industrial sectors and the European social partners have adopted over 70 cross-industry and 500 sectoral joint texts. Further, the EU social partners adopted around 70 texts related to training and lifelong learning.
- Source: Eurofound*
- Legitimacy** The degree to which government procedures for making and enforcing laws are acceptable to the people. A legitimate system is legal, but more important; citizens believe in its appropriateness and adhere to its rules. Legitimacy is closely tied to governance: voluntary compliance with laws and regulations results in greater effectiveness than reliance on coercion and personal loyalties.
- Source: UNDP, Glossary of key terms*
- Local governance** Local governance is a set of institutions, mechanisms and processes, through which citizens can express their interests and needs, mediate differences and exercise their rights and obligations at the local level. Local governance includes not only the machinery of government but also other actors and their interactions with local government institutions.
- Source: UNDP and Democratic Governance Group, 2009*
- Multilevel governance** Multilevel governance is a dynamic process with horizontal and vertical dimensions which does not in any way dilute political responsibility. On the contrary, if the mechanisms and instruments are applied correctly, it helps to increase joint ownership and implementation. Consequently, multilevel governance represents a political 'action blueprint' rather than a legal instrument and cannot be understood solely through the lens of division of power.
- Source: Schmitter, 2004*
- Within multilevel governance, the vertical dimension refers to the linkages between higher and lower levels of government (supranational, national, regional, local) including their institutional, financial, and informational aspects. The horizontal dimension refers to cooperation formulas (e.g. arrangements) between regions, local levels (municipalities/communities). Such agreements should be conceived as tools to improve the effectiveness of local public service delivery and implementation of development strategies. In the horizontal dimension it is of particular interest to underline the role to be played by social partners and civil society working in partnership and cooperating with public authorities, in the desirable context of social dialogue.
- The EU Committee of the Regions considers multilevel governance to mean coordinated action by the EU, Member States and local and regional authorities based on partnership and aimed at drawing up and implementing EU policies. It leads to responsibility being shared by the different tiers of government concerned and is underpinned by all sources of democratic legitimacy and the representative nature of the different players involved. By means of an integrated approach, it entails the joint participation of the tiers of government in the formulation of Community policies and legislation, with the aid of various mechanisms (consultation, territorial impact analysis etc.).
- Source: CoR, 2009*
- Participation** Literally, participation means to take part. The question for people concerned with governance issues is whether participation is effective. Effective participation takes place when group members have an adequate and equal opportunity to place questions on the agenda and to express their preferences about the final outcome during decision-making. Participation can occur directly or through legitimate representatives.
- Source: UNDP, Glossary of key terms*
- Partnership** Term used to characterise every kind of cooperation involving public and/or private actors operating at the same level of government (horizontal partnership) or at various levels of government (vertical partnership). The partnership goal varies according to both the specific policy domain (e.g. environment and local development) and the policy phase (agenda setting formulation, implementation etc.) involved.
- Source: Vesan and Graziano, 2008*

Political autonomy	<p>Autonomy is linked to political decentralisation. Political autonomy exists within a unitary state and, particularly, within a regional state. On the one hand, political autonomy means rights recognition of a political nature. On the other hand, it means the absence of independency due to its linkage with a bigger structure. This last aspect differentiates autonomy from <i>separatism</i>.</p> <p><i>Source: Adapted from the thesaurus online dictionary; and Thinès and Lempereur, 1975</i></p>
Process consultancy	<p>A distinctive form of management consultation in which the consultant helps the client management group initiate and sustain a process of change and continuous learning for systemic improvement. The role of the consultant is not that of a typical technical expert who analyses the client situation and recommends a course of action. Rather, process consultancy engages the participation of the client management group to clarify the purpose of the change process, to redefine the group roles and responsibilities and to redesign the procedures through which the member's respective functions will be integrated to sustain improved system-wide results.</p> <p><i>Source: UNDP, Glossary of key terms</i></p>
Public sector	<p>The part of the economy that is not privately owned, either because it is owned by the state or because it is subject to common ownership. Includes the national government, local authorities, national industries and public corporations.</p> <p><i>Public sector reform</i> involves rationalising the size of the public sector and building its capacity to contribute to sustainable human development. The principles of good governance apply to public sector management.</p> <p><i>Source: UNDP, Glossary of key terms</i></p>
Quality management	<p>Quality management includes all the activities that organisations use to direct, control, and coordinate quality. These activities include formulating a quality policy and setting quality objectives. They also include quality planning, quality control, quality assurance and quality improvement.</p> <p><i>Source: Cedefop, 2011a</i></p>
Regional development	<p>Regional development refers to provision of resources, either national or international, to reduce regional disparities by supporting (employment- and wealth-generating) economic activities in regions.</p> <p><i>Source: Charbit, 2011</i></p>
Regional policy	<p>A policy, adopted by government, aimed at redressing uneven development within a country. The incentives for a government to tackle regional imbalance include: a desire to alleviate regional unrest, the wish to unite party representatives from poorer, as well as richer regions, a yearning for social justice, the need to check out-migration from disadvantaged regions, and the ambition to use fully the human resources and plant of a declining area.</p> <p><i>Source: Mayhew, 2009</i></p>
Regionalisation	<p>Regionalisation can be conceived as the growth of societal integration within a given region, including the undirected processes of social and economic interaction among the units (such as nation-states). As a dynamic process, it can be best understood as a continuing process of forming regions as geopolitical units, as organised political cooperation within a particular group of states, and/or as regional communities such as pluralistic security communities.</p> <p><i>Source: Kacowicz, 1998</i></p>
Regionalism	<p>Regionalism refers to the proneness of the governments and peoples of two or more states to establish voluntary associations and to pool together resources (material and nonmaterial) in order to create common functional and institutional arrangements. Furthermore, regionalism can be best described as a process occurring in a given geographical region by which different types of actors (states, regional institutions, societal organisations and other non-state actors) come to share certain fundamental values and norms. These actors also participate in a growing network of economic, cultural, scientific, diplomatic, political, and military interactions.</p> <p><i>Source: Kacowicz, 1998</i></p>

- Rule of law** Equal protection (of human as well as property and other economic rights) and punishment under the law. The rule of law reigns over government, protecting citizens against arbitrary state action, and over society generally, governing relations among private interests. It ensures that all citizens are treated equally and are subject to the law rather than to the whims of the powerful. The rule of law is an essential precondition for accountability and predictability in both the public and private sectors. The establishment and persistence of the rule of law depend on clear communication of the rules, indiscriminate application, effective enforcement, predictable and legally enforceable methods for changing the content of laws and a citizenry that perceives the set of rules as fair, just or legitimate, and that is willing to follow it.
- Source: UNDP, Glossary of key terms*
- School autonomy** School autonomy is a form of school management in which schools are given decision-making authority over their operations, including the hiring and firing of personnel, and the assessment of teachers and pedagogical practices. School management under autonomy may give an important role to the School Council – representing the interests of parents – in budget planning and approval, as well as a voice/vote in personnel decisions. By including the School Council in school management, school autonomy fosters accountability.
- Source: Arcia et al., 2011*
- Social capital** Features of social organisation – such as networks and values, including tolerance, inclusion, reciprocity, participation and trust – that facilitate coordination and cooperation for mutual benefit. Social capital inheres in the relations between and among actors.
- Source: UNDP, Glossary of key terms*
- Social dialogue** All types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations only between labour and management (or trade unions and employers' organisations), with or without indirect government involvement. Concertation can be informal or institutionalised, and often it is a combination of the two. It can take place at the national, regional or at enterprise level. It can be inter-professional, sectoral or a combination of all of these.
- Source: Arrigo and Casale/ILO, 2005*
- Soft law** Soft law is the term applied to EU measures, such as guidelines, declarations and opinions, which, in contrast to directives, regulations and decisions, are not binding on those to whom they are addressed. However, soft law can produce some legal effects. It is important to distinguish soft law's lack of legally binding effect from its potential impact in practice. It is claimed that soft law may impact on policy development and practice precisely by reason of its lack of legal effect – rather, because it exercises an informal 'soft' influence through, for example, the demonstration effects of pilot projects, which illustrate possibilities and exert a persuasive influence. Member States and other actors may undertake voluntarily to do what they are less willing to do if legally obligated. Soft law, therefore, is sometimes presented as a more flexible instrument in achieving policy objectives.
- Source: Eurofound*
- Soft regulation (vs.) hard regulation** Soft regulation tends to deal with general principles whereas hard regulation [deals] with specific rights and obligations. When soft regulation deals with rights and obligations tend to deal with minimum provision, whereas equivalent hard regulation involves standard ones. Soft regulation often provides for further negotiation at lower levels whereas hard [regulation] tends to assume that the process is finished. Soft regulation tends to take the form of recommendations whereas hard regulation is almost invariably compulsory. Soft regulation tends to be concerned with issues such as equal opportunities training and development, whereas hard [regulation] deals with other hard issues such as wages and working time.
- Source: Marginson and Sisson, 2006*

Subsidiarity

Subsidiarity is an organising principle according to which the central authority should have subsidiary (supplementary) functions only. It means that central governments should perform only those tasks that cannot be performed effectively at a more immediate level: those tasks that are closed to the actual action and where the necessary information is available. It applies to lower hierarchical relations, as well; if a task can be performed in a school, the decision should not be pushed to the local level etc.

Source: Radó, 2010

The principle of subsidiarity seeks to ensure that, in areas of non-exclusive Community responsibility, decisions are taken at the most appropriate level. As a result, in these areas, tests must be carried out to ensure that Community action is justified with regard to the options available at national, regional or local level. Respect for the principle of subsidiarity and multilevel governance are indissociable: one indicates the responsibilities of the different tiers of government, whilst the other emphasises their interaction.

Source: Adapted from CoR, 2009

The subsidiarity principle is widely known as the guiding principle of the European Union as it was first established by the Treaty of Maastricht in 1992 (Article 5):

1. The limits of Union competences are governed by the principle of conferral. The use of Union competences is governed by the principles of subsidiarity and proportionality.
2. Under the principle of conferral, the Union shall act only within the limits of the competences conferred upon it by the Member States in the Treaties to attain the objectives set out therein. Competences not conferred upon the Union in the Treaties remain with the Member States.
3. Under the principle of subsidiarity, in areas which do not fall within its exclusive competence, the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level. The institutions of the Union shall apply the principle of subsidiarity as laid down in the Protocol on the application of the principles of subsidiarity and proportionality.
4. National Parliaments ensure compliance with the principle of subsidiarity in accordance with the procedure set out in that Protocol.

Under the principle of proportionality, the content and form of Union action shall not exceed what is necessary to achieve the objectives of the Treaties.

The institutions of the Union shall apply the principle of proportionality as laid down in the Protocol on the application of the principles of subsidiarity and proportionality.

Source: EU, 2008 – Title I: Common provisions, Article 5 (ex Article 5 TEC), p. 18

Transparency

Sharing information and acting in an open manner. Transparency allows stakeholders to gather information that may be critical to uncovering abuses and defending their interests. Transparent systems have clear procedures for public decision making and open channels of communication between stakeholders and officials, and make a wide range of information accessible.

Source: UNDP, Glossary of key terms

Tripartism

The active interaction of government, employers and workers (through their representatives) as equal and independent partners in efforts to seek solutions to issues of common concern. A tripartite process may involve consultation, negotiation and/or joint decision making, depending on arrangements agreed between the parties involved. These arrangements may be ad hoc or institutionalised.

Source: Arrigo and Casale/ILO, 2005

ACRONYMS

AVETAE	Agency for Vocational Education and Training and Adult Education (Croatia)
CVET	Continuing vocational education and training
CVT	Continuing vocational training
ETF	European Training Foundation
EU	European Union
ICT	Information and communication technology
IT	Information technology
IVET	Initial vocational education and training
TVET	Technical and vocational education and training
UN	United Nations
VET	Vocational education and training

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