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NEWS AND VIEWS
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GOOD MULTILEVEL GOVERNANCE FOR VOCATIONAL EDUCATION AND TRAINING

DEFINING GOOD MULTILEVEL GOVERNANCE IN VET

The European Training Foundation (ETF) has made good multilevel governance in vocational education and training (VET) one of its flagship initiatives¹. Centralised models of VET governance were predominant in many partner countries. ETF experience in this area shows that centralised governance hampers demand-driven approaches to skills development.

In many partner countries, VET is characterised by its low status and image and its potential contribution to socioeconomic and regional development is not realised. Furthermore, high youth unemployment combined with technological change and rapid digitalisation challenges VET policies and systems to respond to changing social and economic demands. This means providing quality skills to address employment shifts and skills mismatches, and improving the employability of young people, older workers and migrants.

ETF experience shows that involving and coordinating multiple stakeholders in effective dialogue and cooperation is key to addressing these challenges, and reforming VET systems. The most attractive and innovative VET systems in the EU and worldwide build on effective multilevel partnerships that give a real role to social partners and other business actors in the policy-making cycle, while enhancing the policy functions of regional and local authorities. This might open up a policy dialogue on the necessary conditions for more autonomous, attractive, excellent and accountable VET institutions, and for supporting the *parity of esteem* of VET with other education sectors (e.g. tertiary education).

CONTENTS

- What is good multilevel governance?
- What are the building blocks?
- Conclusions and policy pointers

LEARNING FROM EUROPEAN UNION PRACTICE

Good multilevel governance in VET is a process of governing through shared responsibility and coordinated action². For the ETF it is a model for managing VET policy making based on the systematic involvement of public and private stakeholders at all possible levels (international, national, sectoral, regional/ local, provider). The aim is to improve the relevance, accountability, transparency, coherence, efficiency and effectiveness of VET policies.

Good multilevel governance has a vertical dimension (cooperation between central and regional/local layers of government) and a horizontal dimension (cooperation between public and private stakeholders within such layers). Subsidiarity is a key principle. A smart distribution of responsibilities might contribute to the efficiency and effectiveness of VET reforms.

The ETF approach draws upon rationales and tools provided by the EU Open Method of Coordination³. In this context, the Education and Training 2020 Framework shows how the European Council and European Commission deliver non-binding recommendations to Member States to steer policy priorities in a soft way and monitor expected performance in the field of education and training (Wilkożewski & Sundby, 2014).

The Riga Conclusions (2015) on a new set of medium-term deliverables in the field of VET, as a result of the review of short-term deliverables in the Bruges Communiqué, is another recent example of how EU processes influence the review of Member State priorities for governing VET policies and systems.



BUILDING BLOCKS OF GOOD MULTILEVEL GOVERNANCE IN VET

Good multilevel governance in VET must address the institutional, financial and communication dimensions of VET policies and systems⁴. The ETF and its partner countries have been working since 2012 on the following key strategic components.

Effective involvement of stakeholders at different levels of governance throughout the VET policy cycle

At national level, leading ministries in charge of VET (Education, Labour) should cooperate effectively with other ministries, in particular those in charge of financing VET (Economy, Finance, etc.), in VET planning, management and financing. The voice of social partners (e.g. employers) is essential as is that of civil society organisations (parents, teachers, student organisations etc.) as key users of the VET system. It is also important to involve sectoral, regional and local stakeholders as well as VET providers and any international actor involved (e.g. donors, international companies). It is crucial to have an effective and transparent distribution of roles and responsibilities, avoiding overlaps throughout the VET policy cycle, and this should fit with the political, administrative and fiscal context of the partner country.

Participatory implementation with mechanisms for cooperation and coordination between actors in VET policy making

Rule-making and consultation processes are key to institutional performance. Coordination mechanisms should be established for VET policy making, and these can take different forms. It is important to achieve a smart balance between binding (hard) and non-binding (soft) tools. Some examples of the use of such mechanisms in partner countries are listed below.

- *Legislative or normative approaches:* new VET legislation (Albania); national tripartite agreements (Belarus, Tunisia); strategic policy frameworks (Kazakhstan, Serbia, Morocco, Jordan); national qualification frameworks (many partner countries).
- *Institutional approaches to policy making and policy advice:* national agencies (Azerbaijan); national councils (Georgia, Jordan, Turkey); sector skills councils (Moldova); regional VET councils (Ukraine).
- *Public-private structural approaches:* VET technological/multifunctional centres (Morocco, Albania); tax exemptions for training costs (Moldova, Morocco).
- *Knowledge-creation approaches:* authorities for evaluation (Israel), data and indicators systems (Turkey, Kosovo⁵, Georgia); skills identification for in-demand occupations (Russia).

1. See for example Torino Process and Governance for Employability in the Mediterranean projects (www.torinoprocess.eu and <https://connections.etf.europa.eu/communities/service/html/communitystart?communityUuid=cdd8022-1c23-42ac-8699-608048458814>).

2. Multilevel governance can be defined as an arrangement for making binding decisions that engages a multiplicity of politically independent but otherwise interdependent actors – private and public – at different levels of territorial aggregation, in more or less continuous negotiation, deliberation and implementation, and that does not assign exclusive policy competence or assert a hierarchy of political authority to any of these levels (Schmitter, 2004).

Public-private partnerships for VET and skills development

Social dialogue is an important instrument for effective VET policy making, as the engagement of private actors is a success factor for VET systems that are relevant. Employers can be encouraged to cooperate at sectoral level with VET institutions to implement national policy frameworks. The use of non-financial incentives (e.g. employers leading on defining and delivering occupational standards) and financial incentives (tax deductions, training levy systems, etc.) are key tools for engaging the private sector – as well as learners – in VET policy making. Effective, efficient and equitable VET financing policies underpinned by transparent and accountable public and private investment is crucial for effective and efficient VET development.

Sound data policies for improving evidence-based policy making in VET

Data is a pre-requisite for implementing good multilevel governance in VET. For the ETF, transparency and accountability are key principles. Reliable and shared data and information is key for decision making and coordinating action at different levels. Information is needed to understand current skills systems and predict the future of skills needs and what VET policies and systems need to be in place to meet them.

POLICY DEVELOPMENT IN ETF PARTNER COUNTRIES

Partner country	Main focus	Key remarks
Albania	New VET legislation	Modernising the overall policy framework for a relevant VET system through new VET legislation (2017). This milestone makes VET a key driver of social and economic development in the country.
Jordan	New strategic and institutional framework	Reforming the VET system through a strategic national approach to human resources development and renewed public-private leadership of VET institutions. This is underpinned by an ambitious strategic framework for human resources (2016) delivered by a Skills Development Corporation.
Kazakhstan	Multilevel-institutional coordination	Ongoing VET reform through the effective involvement of national, sectoral and regional stakeholders. With regionalisation, VET governance is gradually becoming multilevel, with an increased role for private stakeholders and social partners (mainly employers) in several VET functions, as well as a trend towards regionalisation in VET policy making.
Moldova	Sectoral skill councils legislation	VET reform through sectoral approaches for skills development. The regulatory framework has been substantially reformed and modernised, resulting in a new legal framework governing policy implementation. A new law for sectoral skills committees was adopted at the end of 2017.
Morocco	Advanced regionalisation	The new National VET Strategy (up to 2021) and the ongoing advanced regionalisation agenda is driving the regionalisation of VET leading to new functions influencing VET governance and policy development at regional and local levels.
Serbia	Reforming VET institutional settings for accession to EU	Implementing further institutional reforms through multilevel stakeholder cooperation on VET policies for smooth accession to the EU would be advisable. Strengthening the role of the National VET Council and implementing the Law on Dual Education (passed in 2017) could support this.
Tunisia	Regional partnerships	Making regional partnerships work as a practical option for VET development. The Tunisian Ministry of Vocational Training and Employment has decided to strengthen the role of regions in steering VET and access to the labour market via multilevel governance. Key regions on board: governorates of Medenine, Gabès and Mahdia and Kairouan.
Ukraine	VET decentralisation	Progress on VET development through decentralisation to 24 regions. Formation of regional VET councils and a new VET law in the pipeline (after approval of the law on education at the end of 2017) to regulate VET and support socioeconomic and regional development of the country.

3. This is a model of multilevel governance requiring coordination and cooperation among the EU Member States at vertical and horizontal levels. Through the Open Method of Coordination, the EU institutions and Member States have developed a considerable body of law and good practice in the area of European education and training policy. In the field of VET, cooperation was enhanced in the framework of the Copenhagen process (2002) followed by the Maastricht (2004), Helsinki (2006), Bordeaux (2008) and Bruges Communiqués (2010) and the Riga Conclusions (2015). See for example: http://ec.europa.eu/education/policy/vocational-policy_en

4. Legislative tools, national qualification frameworks, VET councils and VET skills intelligence are some of the mechanisms within these dimensions.

5. This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

ONGOING POLICY DEVELOPMENT: SOME CONCLUSIONS AND POLICY POINTERS

A recent ETF cross-country assessment of the 2012–17 period in 23 partner countries, based on the ETF VET governance inventory, shows that countries are aware of the good multilevel governance approach and have understood it (see table above).

Most partner countries already have a joint VET vision in place. Good progress has been made in policy leadership and coordination in relation to general planning and management, where a line ministry is in charge of defining overall VET policy and the managerial framework for its implementation. However, in some partner countries, ministerial roles still need to be clarified, and little progress has been made on inter-ministerial cooperation.

At the horizontal level, the role of social partners in VET policy formulation is increasingly recognised and effective, mainly at national, sectoral and VET provider levels. Nevertheless, social partner networks (e.g. sectoral bodies) in partner countries need to be further strengthened. At the vertical level, progress has yet to be made in reinforcing the role of regional and local actors.

The governance of VET financing is still characterised by highly centralised approaches and fragmented management practices. Most VET funding in partner countries still comes from public revenue, with little room for financial or curricular autonomy of VET providers. However, partner countries are progressively moving towards good multilevel governance in VET.

In this regard, some key policy pointers to move VET reforms forward based on good multilevel governance are:

- Continue reviewing institutional responsibilities and arrangements of VET stakeholders for governing VET in partnership, including the effectiveness of national councils and other types of advisory and/or executive bodies.
- Empower social dialogue in VET while supporting social partners and employers to participate in the overall policy cycle. The work of social partners in particular is crucial in the ongoing identification, renewal and

use of qualifications, skills, competences, programmes and curricula; updating national qualification frameworks; bargaining for national and/or sectoral agreements and/or setting up levy systems for (co)funding VET and skills policies; managing training centres; implementing work-based learning approaches; ensuring occupational standards; and forecasting skills needs.

- Update VET legislation, in particular for dual systems (work-based learning, apprenticeship systems), whilst articulating VET governance reforms through the use of soft tools (memorandums of understanding, joint opinions, frameworks of action, etc.).
- Open up policy dialogue on VET Centres of Excellence and innovation as institutional mechanisms to improve the attractiveness and relevance of VET and for optimising and/or rationalising VET networks. These types of institution are based on principles of public-private partnerships in VET. They can be considered as innovation hubs which might contribute, in cooperation with industrial and technological clusters, to socioeconomic and regional development.
- Depending on the specific context, enhance the roles of regional and local actors through deconcentration, delegation and/or devolution of responsibilities while giving VET institutions more managerial, educational and financial autonomy to foster effective local partnerships in VET.
- Open and maintain systematic and structural policy dialogue on VET financing (governance and policies). In this context, there is a need for further discussion, for instance, on fiscal and/or financial decentralisation; tax and levy systems for VET and skills development; re-visiting formula funding mechanisms (e.g. outcomes- and performance-based approaches); exploring multichannel financing approaches.

Thus, good multilevel governance in VET in ETF partner countries should still be considered as work in progress, as a means to reforming VET and improving its image, quality and innovation.

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