



**POLICIES FOR
HUMAN
CAPITAL
DEVELOPMENT**

**NORTH
MACEDONIA**

AN ETF **TORINO PROCESS**
ASSESSMENT

**EXECUTIVE
SUMMARY**

PREAMBLE

The European Training Foundation (ETF) assessments are a key Torino Process deliverable, which offers an external, forward-looking analysis of the human capital development issues in the country and the VET policy responses in a lifelong learning perspective. The ETF assessments identify challenges related to the policy and practice in education and training, which prevent the development and use of human capital, take stock of these challenges and provide recommendations on possible solutions to address them.

The ETF launched the Torino Process in 2010 as a periodical review of vocational education and training (VET) systems in the wider context of human capital development and inclusive economic growth. While providing a quality assessment of VET policy from lifelong learning (LLL) perspective, the process builds on four key principles: ownership, participation, holistic and evidence-based analysis.

For the ETF, human capital development is about supporting countries to create lifelong learning systems, providing opportunities and incentives for people to develop their knowledge, skills, competences and attitudes throughout their lives to help them find employment, realise their potential and contribute to prosperous, innovative and inclusive societies.

The purpose of assessments is to provide a qualitative and reliable source of information for the planning and monitoring of national education and training policies for human capital development, as well as for the European Union and other donors' programming and policy dialogue in support of these policies.

The ETF assessments rely on evidence collected from and with the countries through a standardised reporting template (national reporting framework – NRF) and a participatory process, involving a wide variety of actors and with high ownership of the country. While the ETF assessment findings and recommendations have been shared and discussed with national authorities and beneficiaries, the final responsibility for the assessment reports and for any errors and omissions rests with the ETF.

The assessment report starts with a brief description of the strategic plans and national policy priorities of North Macedonia (Chapter 1). It then presents an overview of issues related to the development and use of human capital in the country (Chapter 2), before moving on to an in-depth discussion of problems in this area, which in the view of the ETF require immediate attention (Chapter 3). Chapter 4 provides the overall conclusions of the analysis.

The annexes provide additional information along these lines: a summary of the recommendations in the report (Annex 1), an overview of the education and training system of North Macedonia (Annex 2), and list of follow-up actions agreed upon by national stakeholders during the dissemination event (Annex 3). The full report can be found at: <https://openspace.etf.europa.eu/trp/torino-process-2018-2020-north-macedonia-national-report>.

EXECUTIVE SUMMARY

About this assessment

This European Training Foundation (ETF) assessment offers an external analysis of evidence provided in the national Torino Process report of North Macedonia, which was compiled in 2018 with the help of a standardised framework questionnaire for national reporting (National Reporting Framework – NRF). The focus is on challenges that prevent the development and use of human capital in the country and can be addressed through education and training. For the purpose of this assessment, human capital is defined as the aggregate of the knowledge, skills, talents and abilities possessed and used by individuals for economic, social, and personal benefit.

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The focus of the assessment is on challenges which prevent the development and use of human capital in the country and can be addressed through education and training, including VET. For the purpose of this assessment, human capital is defined as the aggregate of the knowledge, skills, talents and abilities possessed and used by individuals for economic, social, and personal benefit.

The themes discussed in the present report emerged on the basis of the NRF and in consultation with the ETF country and thematic team responsible for North Macedonia. The findings were verified in consultation with national stakeholders, who also agreed on the applicability and focus of assessment recommendations (see Annex 3).

The report starts with a brief description of the strategic plans and national policy priorities of North Macedonia (Chapter 1). It then presents an overview of issues with the development, availability, and use of human capital in the country (Chapter 2) and moves on to a discussion of a selection of key problems in this area (Chapter 3). The annexes provide data and additional information to corroborate the assessment findings: Annex 1 features a summary of recommendations, Annex 2 gives an overview of the education and training system of North Macedonia, and Annex 3 summarises the outcomes of discussions by national stakeholders about follow-up actions to the recommendations.

Findings on human capital

The Government of North Macedonia has committed to the promotion of economic growth, the creation of new jobs, and to a higher standard of living for all its citizens. European Union membership is at the heart of an ambitious package of reforms, to which education and training are expected to contribute by supporting a transition to a more productive economy that harvests the possibilities of digital technologies and comprises regionally and globally competitive domestic companies.

North Macedonia has had a good track record of economic improvement recently, but the assessment finds that there are a number of challenges concerning the development and use of human capital in the country that may jeopardise further progress and the sustainability of reform achievements to date.

Overall, the reforms as presented in the strategic documents appear to serve a broader socioeconomic need while neglecting the routine structural and quality-related challenges that Vocational Education and Training (VET) institutions and professionals have to cope with on a daily

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RECOMMENDATIONS



Recommendation 1. Improve classroom assessment in VET



Link standards, grading and assessment

Establish cooperation between teachers who assess

Ensure exams are in line with learning

Recommendation 2. Ensure that adult education supports national strategic priorities



Provide second chance education and eradicate adult illiteracy

Reinforce public providers

Introduce incentives for private providers offering relevant courses



Recommendation 3. Reinforce private adult education and training



Better coordinate regulation

Introduce baseline criteria

Upgrade to a system of licensing and external quality assurance



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S FOR POLICY MAKERS

Recommendation 4. Capitalise on existing knowledge and skills



Strengthen the Council on Adult Education for the validation of formal and informal learning



Recommendation 5. Prioritise action to combat youth unemployment



Prioritise international best practice to combat youth unemployment



Recommendation 6. Improve career guidance in schools



Make better use of labour market data
Expand career guidance to secondary schools

★ ★ ★ Promote digital literacy and entrepreneurship



Recommendation 7. Improve the responsiveness of VET through better quality



Create more flexible pathways into teaching for people from the world of work

Strengthen the involvement of employers

Invest in work-based learning, internships etc.

Prioritise work on the national qualifications framework



basis. This puts the improvement plans at risk of failure because of limited buy-in from those who are supposed to implement them, and this may be an explanation of why progress in some reform areas has been rather limited over the years.

Another challenge is the volatility of demand for human capital, which is due to a still fragile economic environment. Economic growth and the associated increase in employment opportunities are fuelled by government interventions in the form of subsidies and public spending, which may strain the public budgets and lead to abrupt changes in demand for human capital in key sectors. In turn, this may render obsolete the longer-term policy planning of authorities and the educational and training choices of prospective workers. It also puts pressure on the system of education and training to adapt and be responsive to external demand on short notice – a task it is not ready for yet.

There are also considerable disparities in the demand for (and use of) human capital across regions and sectors of the economy. This often disproportionately affects the well-being and employment outlook of people from vulnerable socioeconomic backgrounds, those who live in rural areas and, most notably, young people.

The assessment also notes that there are long-standing problems with the quality of compulsory education and the effectiveness of adult education, which limit the employability of graduates and deprive a large segment of the adult population of a chance to find decent work. The report provides a deeper analysis of these two problems (i.e. youth unemployment and low educational attainment of the population), tracing the issues back to specific weaknesses in education and training in the areas of stakeholder involvement, quality and quality assurance, programme content, career guidance, and the limited use of evidence on labour market needs.

Recommendations for action

The ETF assessment provides seven recommendations about improvements in formal schooling/training and adult education which can help address the two key human capital challenges discussed in the report (see also Annex 1).

Addressing low educational attainment

To address the challenge of low educational attainment of the population more effectively, the ETF recommends actions in both formal education and beyond formal schooling.

In formal education, the authorities should revise the current permissive approach to grading and improve the reliability and accuracy of quality assurance and specifically of classroom assessment in VET, which currently fuels distrust in the learning outcomes of graduates.

Beyond formal education, the ETF recommends aligning adult education and training (AET) provision with the strategic priorities of the country for raising the level of education and skills of adults. This should include strengthening public education sector involvement in AET to ensure that at least some AET is aligned with key strategic priorities concerning human capital development, as well as improving the quality and transparency of private provision of AET through a stronger, more coordinated approach to the regulation of private providers. The ETF also recommends devising incentives for private providers who serve the public interest and to continue working on mechanisms for the recognition of informal and non-formal learning.

Addressing persistently high youth unemployment

As to youth unemployment, the assessment recommends prioritising pre-emptive actions in formal education. This includes measures to open up VET to the world of work by improving quality of

provision and by removing barriers to and raising system-level capacity for employers' involvement, for instance capacity to take part in delivery components of relevance in this context, such as work-based learning, internships, or contributions to qualifications system development. Currently there is a lack of incentives for employers and numerous open questions concerning the practical implementation of participation arrangements.

An important part of this package of measures should be to advance work on the national qualifications framework as a major instrument for establishing solid connections between education, training and the labour market. The assessment also suggests opening more flexible pathways into teaching for practitioners from the world of work.

These measures should go along with improvements in career guidance in schools, which at the time of this report did not rely on labour market evidence, was limited in coverage, and did not have a focus on sectors of future growth, such as information and communications technology and the digital economy.

The ETF launched the Torino Process in 2010 as a periodical review of vocational education and training (VET) systems in the wider context of human capital development and inclusive economic growth. While providing a quality assessment of VET policy from lifelong learning (LLL) perspective, the process builds on four key principles: ownership, participation, holistic and evidence-based analysis.



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